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Historical Hyderabad

by Lt.-Col. D. MacD. FIFE

The House of Tata

by SIR FREDERICK JAMES, O.B.E.

Korea's President

by ROBERT T. OLIVER

Air Transport in the Far East

by J. W. S. BRANCKER, Manager, B.O.A.C.

China and the Bondholders

by SIR JOHN PRATT, K.B.E., C.M.G.

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by NEIL STEWART

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CONTENTS

EDITORIAL

- Hard Bargains in Hong Kong
Korea's President
The Japanese Language
Tokyo Chit Chat
The Tribesmen in Kashmir
Indian Labour Psychology
Historical Hyderabad
Air Transport in the Far East
The Maldives
Personalities and Events in the "48's"

LONDON NOTEBOOK

FROM ALL QUARTERS

- Books on the Far East
Kathakali in Travancore
The Rope Trick
The Vision
Firewalking in Fiji
The Wu-Sing-Ding
From East to West in 52 Hours
Letters to the Editor

ECONOMIC SECTION

- China and the Bondholders
Cotton Tangle
Czechoslovak Trade with India
Australia-A New Asiatic Power
The House of Tata
The Future of Rubber
Dutch Enterprise in New Guinea
Economic Commission
for Asia and the Far East

ECONOMIC NOTES

Tony Gibson	3
Robert T. Oliver	5
D. C. Mason	7
John Murdoch	8
Noel Cooke	10
H. G. Reissner	11
Lt.-Col. D. MacD. Fife	12
J. W. S. Brancker	13
Austin de Silva	16
Geo. J. S. King	19
	20
	22
	23
Kenneth Grenville Myer	26
Winifred Holmes	28
R. H. Ferry	29
Herbert Chambers	30
Edwin G. Voller	31
G. FitzGerald-Lee	31
Muriel Weerakoon	32
	32
Sir John Pratt, K.B.E., C.M.G.	35
H. C. K. Woddis	36
John Alexander	38
Neil Stewart	39
Sir Frederick James, O.B.E.	41
Gordon Anderson	43
Isle Bunbury	45
	46
	48

EASTERN WORLD

ASIAN REGIONAL CO-OPERATION.

Quietly, behind the scenes, efforts are being made to achieve a regional understanding among the nations of Asia. Tentative beginnings have already been visible in the all-Asian Conference held a year ago in New Delhi and in the still weak U.N. Economic Commission for Asia and the Far East. New attempts in this direction are taking the form of informal enquiries circulating among the leaders of Asian nations seeking to find a basis for a mutual solution of the multiple difficulties which face all of them. A fierce struggle for normal stability is going on all over Asia. Each State is wrestling with problems far greater than any that confronted it in pre-war years, and under much more adverse economic and political conditions. Korea has been split in two; Indonesia and Indo-China are still fighting their way towards independence; China is torn by civil war; Japan is attempting to rebuild herself after a shattering defeat, and some of the new governments are hampered by the teething troubles of their own political re-birth or by the lack of administrative machinery. Under such circumstances the cautious course is for each to try to repair the damage to its own house, or to seek special advantage by attaching itself to a strong champion outside. Events, however, are progressively forcing Asian leaders to explore the possibilities of mutual help and regional co-operation. That the idea is sound can be seen from the persistent attempts to create such unity in Western Europe, and that it may work in Asia has been proved by the outstanding success of the Killearn Mission. The problems facing Asian regionalism are many. Vast distances, differences of culture, economy, religion, race, language, traditions and needs have inspired the question as to what good can be achieved from a pooling of weaknesses. Yet, weak as many Asian nations may be individually, their resources are large, and their economies would be strengthened by interlocking

trade. All the essentials exist for a real "Co-prosperity Sphere" in spite of its discreditation by Japan's experiment. Lord Killearn's constructive achievement in establishing regional co-operation in an area where it had never been known before, should be utilised as the basis for a wider Asian Regional Organisation within the spirit and the Charter of the United Nations, and preferably on British initiative. While U.N. officials were still investigating, negotiating, theorising and dissenting, the Killearn Mission worked smoothly. Representatives from Australia, Burma, Ceylon, China, French Indo-China, Hong Kong, India, the Malay Federation, Netherlands East Indies, North Borneo, the Philippines, Sarawak, Siam, Singapore and the U.S.A. participated in the monthly liaison meetings of the Mission and never once failed to reach unanimity on their recommendations and decisions. Considering the outstanding responsibilities involved like the co-ordination of food production, allocation of rice, provision of transport and coal, this is a remarkable accomplishment. For most of the problems that plague Asia, national boundaries have little significance except to hamper the needed remedies. Lack of industrial skills and equipment, shortage of currency and the efficient planning of a rapid increase of living standards can all be met through mutual co-operation, and now is the time to do it.

LORD AND LADY MOUNTBATTEN

The innumerable expressions of friendship and devotion shown to Lord and Lady Mountbatten upon their departure from India are the best proof of the historic success achieved by these outstanding personalities. That the last of the Viceroys and British Governor-Generals has been given this triumphal farewell shows that he not only accomplished his supreme task as a statesman, but that he and Lady Mountbatten were able to win the love and friendship of Indians of all classes—an achievement upon which Anglo-Indian relations will thrive for generations.

KASHMIR

The U.N. Good Offices Commission on Kashmir has now arrived in India and intends to proceed to Kashmir before the end of July after preliminary discussions in New Delhi and Karachi.

In terms of goodwill the biggest loser in the Kashmir struggle seems to

be Britain. Both India and Pakistan were abruptly disappointed in Britain's attitude at Lake Success. Both confidently expected uncritical support; when they got, instead, detached and impartial comment the two Dominions reacted with equally forceful expressions of disillusion and equally hasty charges of betrayal, India first. When their delegation felt obliged to return for consultations in February, Britain was openly accused of selling her support to Pakistan in return for the promise of bases from which to continue her old Imperial domination of the East. Then, when the final U.N. resolution on Kashmir was passed with British support, the Pakistan Press arraigned Britain with choosing the path of expediency rather than justice, and aiming at securing the resources of India in the event of a war with Russia. The Government of Pakistan was urged to waste no more time on "Perfidious Albion" but, instead, to court the friendship of the U.S.S.R. Meanwhile the war in Kashmir drags on interminably. Fresh successes have been gained by Indian troops, and with the relief of Poonch the raiders are said to hold no more than a narrow strip, about 30 miles wide, running along the Pakistan border. Recent reliable estimates put the numbers of Pathan raiders at not more than 5,000, and the conflict is becoming more and more, one between the Indian Army in support of Sheikh Abdullah, and Kashmiri Muslims in insurrection at first against the domination of the Dogras and now against the domination of the National Conference. But behind the frontiers of Kashmir lies Russia, and at the back of many Indian minds is a real fear that, if the conflict continues long enough, Russia may extend her influence over Kashmir in such a way as to constitute a threat to Indian sovereignty. Russia need not provide a single soldier; all she need do is supply the Pathans with the sinews of war and the perpetuation of their activities in Kashmir is assured, with or without Pakistan support. There might well be established in the northwest, if not over the whole State, a Russian-sponsored Pathanistan on the lines of the Kurd Republic. Mr. M. N. Roy, one of the leaders of the Radical Democratic Party and one of the most profound of Indian thinkers, goes even further and suggests that America might become embroiled, and the

Kashmir struggle would then usher in the next war and fix its initial location on the plains of the Punjab.

CHINA CHANGES

Gradually, though slowly, the Chinese are preparing themselves for momentous changes which, viewing the military situation, will have to come soon. In Manchuria the reversals of Generalissimo Chiang's forces continue. There are only three key points left in Nationalist hands: Mukden, Chang Ch'uen and Mian Chow. It is reported that two divisional commanders of the Nationalist troops were executed at Mukden for the loss of Anshan and Yingkou. To the north-west, Sian has been held only as a result of air reinforcements, and in Honan the Pinghan Railway dividing the province from north to south and the Lunghai Railway that cuts from east to west have been wholly in the hands of the Communists, who allege that there are only two counties out of the 111 in the province that are fully controlled by the Nationalists. In Central and South China there have been sporadic engagements between Nationalist troops and local Communist guerilla armies which are now stepping up their activities.

Increasingly the protests and demonstrations of the students of China have been accompanied by sympathetic protests, public speeches and even strikes from their teachers. The feeling of frustration and disillusionment which has swept over large sections of the educated classes of China has been brought on partly by the continuation of the civil war and partly by the increase of the repressive activities of the Government police. Reports have been received recently from three different universities—Nankai, Kwangsi and Shanghai—of leading professors who have committed suicide in protest against the conditions under which they are expected to teach. In addition, news is now filtering through about incidents in the National Assembly. Delegates were gathered together from all over China, but the Government intervened to "suggest" that 57 of these properly elected members should stand down in favour of Government nominees. The result was a series of spectacular demonstrations. One delegate committed suicide at the tomb of Dr. Sun Yat Sen. Some embarked on a lengthy fast, and others brought their coffins to the Assembly Hall to demon-

strate the strength of their determination to hold on to their rights, even to death. But none of the demonstrations have slackened the resolve of the Government and the delegates were barred from official participation in the Assembly. In spite of General Li's election as Vice-President—against Government opposition—it is thought unlikely that a more democratic line will be taken by the administration as President Chiang Kai-shek has been granted extraordinary personal powers which allow him to declare martial law without the previous approval of the Legislative Yuan, thus setting aside article 39 of the new Constitution.

PERPETUAL DEADLOCK

The Indonesian question is going from deadlock to deadlock, and it is questionable whether the problems dividing the Netherlands and the Republic will be settled in time to allow the United States of Indonesia to enter upon their sovereign rule with the beginning of the year 1949. The Netherlands Delegation refused to consider a compromise proposal worked out by the American and Australian members of the three-nations Committee of Good Offices which, amongst other points, recommends secret elections to be held throughout Indonesia, the establishment of a Constituent Assembly with the status of provisional Parliament which should form a provisional Federal Government. The Dutch should immediately hand over full powers of internal self-government to the latter, while the Republic would transfer all attributes of sovereignty including foreign relations, foreign trade, currency control and armed forces. While the Republicans are willing to accept these proposals, the Dutch are refusing even to consider them on the grounds that these confidential proposals were allowed to leak to the Press. It is not known where the proposals have been published, but even if this should have been the case, it is difficult to see why they should have become less valuable. As the proposals seem to contain a solution of the whole dispute, the Dutch refusal seems incomprehensible, except if it is another attempt to shake off international mediation as an interference in a "purely domestic" concern of the Netherlands.

The document produced on board a French cruiser off Haiphong in Along Bay at the beginning of June, has not

met with an enthusiastic reception anywhere. Signed by M. Bollaert, French High Commissioner in Indo-China, General Xuan, Chief of the new provisional Government of Viet-Nam and Bao-Dai, ex-Emperor of Annam, declares Viet-Nam an independent associated state within the French Union. It does not attempt to solve any of the problems which up to now have been the stumbling block of Vietnamese-French understanding. Thus, the all-important questions of Viet-Nam's economic, military and diplomatic relations are to be settled by supplementary agreements at a later date. The scepticism about the value of the document lie in its vague terms which seem to admit that the signatories are by no means sure whether they will be able to shift popular support from Ho Chi-Minh to General Xuan.

MALAYA AND BURMA

The theory that the outrages in Malaya and Burma are being centrally directed from outside, can be dismissed. It seems certain that there has been neither interference nor encouragement from Russia who, as the biggest single rubber buyer, is not interested in a disruption of economic life in Malaya at least. The trouble in Malaya is now certain to be of local origin, perhaps helped, if not inspired, by illegal immigrants and merely exploited to the fullest by Communists. The energetic measures taken by the Colonial Office which have given all the necessary powers to the High Commissioner should see an early end of the crime wave. In Burma, the situation is different. Thakin Nu has tried to pacify extremist elements with his statement of a strong Socialist policy without which his Government would have to give way to chaos, while at the same time attempting to calm down foreign business interests which are naturally alarmed by this policy as they fear the loss of compensation for nationalised industries. The next few months will show whether Burma will be able to maintain the equilibrium between political and economic necessity.

"EASTERN WORLD" appears as a double number for June-July to alter the publication date of future issues to the beginning of each month.

HARD BARGAINS IN HONG KONG

by Tony Gibson

ON May Day the Chinese Communists issued their usual selection of "Revolutionary Slogans," a somewhat naive compilation which ranged from congratulations on the advance of the guerrilla armies to exhortation to "workers of privately-operated enterprises in the Liberated Areas," to "establish with the capitalists a reasonable relationship of benefits to both labour and capital and strive together for the development of the national economy!" But this time the response has not been confined to strict followers of the Party line. On May 5th, the Democratic League and the "Kuomintang Revolutionary Committee," both influential émigré groups established in Hong Kong, issued a reply of welcome to the Communist Party and implied that the time is now overdue for a coalition which will include the Communists.

This marks an interesting stage in the development of the growing liberal opposition in Nationalist territory. The Chinese students have for long been in the forefront of the demonstrations against the continuation of the civil war and the repression of civil liberties by the Centre government. But they have been consistent in their repudiation of the Communists as well as of the Nationalists. This impartial attitude was reaffirmed in the New Year Manifesto circulated throughout China by the National Students' Federation. In recent months the widespread sympathy of outside opinion has hardened and taken shape in the founding of liberal associations pledged to opposition on the issues already taken up by the students. Now these groups comprise men of standing and maturity—professors, government officials, journalists and merchants. Reuter quotes the establishment of an association of this kind in Peiping. Here a group representing a wide range of influential opinion has met together to "study social and economic problems" and has issued a 32-point programme of radical reform. This is a bold step in face of Nationalist intimidation which has been on the increase in North China. A European observer in Peiping states that "conditions . . . are reminiscent of life in Germany under the Gestapo," and alleges that for the first time ordinary Chinese are beginning to see Chinese Communism as the lesser of two evils. Yet opposition to repression remains. This is a situation that is typical of the rest of China. These liberal elements seem to derive greater courage and determination the more they suffer persecution.

In Nanking the story is repeated. The recent attempt at interference with the elections for President of the National Assembly produced a significant illustration of the real nature of "constitutional" Nationalism. The defeat of the High Command of the Nationalist Party in its attempt to bulldoze over the vote of the Assembly has shown how strong are the forces of criticism among even the rank and file members of the Nationalist Party. Outside the Party the opposition is even more vocal. One hundred professors of Nanking have now bound themselves into an association which has charged the Nationalists and the Communists jointly with the blame

for the Civil War. They, too, have circulated their list of urgently needed reforms. Finally, in Canton, a group of professors, journalists and politicians out-of-office have formed an organisation to "help the Government find peace." Here is the crux of the matter. South China is evidently scheduled to be the last stronghold of Nationalism, and perhaps taken together with Hainan Island (recently visited by Ambassador Leighton Stewart and Canton Province Governor, T. V. Soong) the last foothold of American military and economic policy. Hong Kong, next door, is the rendezvous under a tolerant British administration, of all the dissident parties in the Chinese political scene. Here the Democratic League and the "Revolutionary Committee of the Kuomintang" have their headquarters, and here they have been undertaking their negotiations with the Communist Agency.

In Canton, astute T. V. Soong has been trying for some time to decide which is the political *niche* into which he can best fit himself when the present Nationalist Government falls to pieces. Is he to remain a loyal lieutenant of the Generalissimo, or is he to prepare for an autonomous South China administration under American "protection"? The trouble is that with the rapid changes in the war it is difficult for the wiliest fence-sitter to know when to come down. The last few months have answered any question of the ability of the Communists to win the military campaign. The Nationalists have had to surrender their greatest propaganda holding, the former Communist capital city of Yenan. To the south the Communists are astride the great east-west communication line, the Lunghai Railway, along nearly all its length. They are even occupying some of the hills overlooking Nanking, the present Nationalist capital. They have seized Paochi far to the north-west and may soon capture Sian, and the valuable oil wells of Lanchow. Honan Province is almost completely over-run and in Northern Hupei Lao Ho K'ou has fallen. On the Central China front, Communist forces are doing as they please along the north bank of the Yangtse. And on the coast line of Eastern Shantung they are regaining town by town, their outlets to the sea. The redoubtable Communist General Lui Po Cheng has observed "we have captured Loyang, and in time will take Nanking and Chungking and the provinces of Kwantung and Kwangsi and the Island of Taiwan" (Formosa). It is doubtful whether any concentration of American munitions and military advisors could prevent a Communist military victory within the next two years.

All realistic political speculation now begins with the assumption of a final Nationalist military defeat. To the "middle-of-the-roaders,"—the liberal opposition groups, and the out-of-office politicians—the choice is between organising as an independent group in the hope of carrying enough weight to influence a Communist dominated coalition, and throwing in their lot completely with the Communists in the hope of diluting Chinese Communism before it comes to country-wide power.

The attitude of the Communist leaders themselves is still difficult to interpret. On December 25th of last year, Mao Tse Tung made his Chairman's Report to the Chinese Communist Party. He said, among other things, "without the leadership of the Communist Party no revolutionary united front can be victorious. Any attempt to establish a 'third road,' a 'neutral' group, or organisation, or régime, between the revolutionary and counter-revolutionary, between the democratic and anti-democratic, is alike impossible. Those who conduct such activities will of necessity be making for a second anti-democratic régime backed by the American reactionaries." These sentiments were echoed in a press interview given on March 16th in Harbin by Chu Hsueh Fan, leader of the Chinese Association of Labour on his return to Communist territory from a visit to Europe. He said: "there is no middle road for the Chinese people, who will complete their task of liberating their country under the leadership of the Chinese Communist Party . . . because this is the final, decisive battle between the whole country and the most heinous, feudal dynasty in history."

Yet it would be a mistake to assume from these *ex cathedra* statements that the Chinese Communists reject alliances with those opposition groups which still retain their independence. In the same December 25th Report, Mao Tse Tung welcomed the establishment in exile of the Democratic League and of the "Kuomintang Revolutionary Committee" and said: "We will join hands in the New Democratic bodies which oppose imperialism and feudalism." On February 7th, a new line was enunciated throughout the Communist Party organisation. Workers' leaders must "oppose 'left adventurism' . . . and in caring for the workers' interests must not go beyond the limits set by reasonable economic demands." Party members must "rid themselves of all ultra-left ideas as only in this way can we rally all our forces to defeat . . . the Kuomintang." What is evidently meant by all this jargon is a warning to Communist organisers that they must not antagonise their potential supporters among the Chinese liberal groups by insisting too emphatically upon a textbook application of Marxist tactics. At the back of this change in outlook is one solid discovery which Chinese Communism has been making over the past years. It was summed up in a speech of Mao Tse Tung on April 1st of this year: "the ultimate goal of the New Democratic revolution is to transfer our country from an agricultural into an industrial one."

The hard fact of the present situation in China is that the Communists have the monopoly of peasant support, and military genius, but that neither side at present has an effective hold on the technocrats. Sooner or later the civil war will finish and the Communists will have to get down to administering China's coastal belt into which is concentrated most of the financial, the industrial, and the commercial resources of which the hinterland is starved. These are the means of recovery. At present, as every observer has recognised, they are being exploited by corrupt officials and venal politicians. But these resources are essential to the recovery of China and they cannot be mobilised without the co-operation of hundreds and thousands of trained and experienced "practical men." With these men, Chinese Communism has sooner or later to make its bargain.

This "managerial class" has seldom been addicted to rigid Party allegiances and at present they are coming more and more to stand together as independent opposition groups to both the warring extremes. But as is shown well enough by the example of the formerly "Right Wing Generals" in the "Kuomintang Revolutionary Committee," there are already many men of influence and judgment who see it is better to bargain now with the Chinese Communists than when they are flushed with military victory. The technocrats, too, have realised that sooner or later a bargain is inevitable.

In all these troubled waters British policy has remained timidly at anchor. It is understandable that with so many disagreeable things happening elsewhere in the world, the Foreign Office should try to stay as far away as possible from committing itself in China. And yet the choice is not between deciding on a policy and existing without one. Sooner or later a bargain must be made here, too. The Communists are going to win through in China, with or without the aid of the opposition groups. The Nationalists in China are losing and will go down to ruin, with or without American aid. The choice left to us lies between trying now to get on better terms with the future masters of China, or leaving it until later—by which time half the value will have gone. We must also decide whether to confine our overtures to the Chinese Communist Party, which is already doing quite well (in spite of the fact that its only contact with British ideas is monitoring the Moscow and the San Francisco radios!) We have the chance to extend our encouragement to the liberal groups in China which are badly in need of the kind of moral support which Britain, better than any other country, can give them. Their future influence in China will not be determined by the armed forces at their disposal. They have none. They are dependent in the end on the volume which can be given to their voice in pleading for a return to the classical traditions of tolerance and compromise.

The British Press and Parliament could, if we wished, provide a sounding board to give resonance to the voice of the liberals. It is this group which should provide the flywheel in Chinese politics, whichever of the two party extremes provides the motive force. In the past we have rightly protested about the totalitarianism of Eastern Europe, whether in Bulgaria or Czechoslovakia. We have nothing to lose and everything to gain by taking the same line in the face of even more vicious and equally ruthless suppression of civil liberties and persecution of liberal men and youths that goes on at this very moment in Nationalist territory. Within the next few weeks we may see British official recognition of the Chinese Communists, at least to the extent of appointing commercial representatives within their territory. It may be vital to the composition and balance of the future government of all China that at the same time we single out the truly democratic leaders, the college professors, the students, the Democratic League, the industrialists of Peiping, the merchants of Tientsin, the newspapermen of Canton, the delegates of the National Assembly at Nanking. These are the men who are trying, according to their lights, to defend values that we, too, want to preserve. They are risking their lives in an unrelenting struggle in which they need every encouragement that we can give them. One day we may be glad indeed to claim their gratitude.

KOREA'S PRESIDENT

by Robert T. Oliver

SPRUCE, spartan Dr. Syngman Rhee, as well known in international circles as in his own Korea, is about to enjoy the unique distinction of becoming "First President" of the Republic of Korea for the second time. The first time was in 1919, when a nation-wide passive revolution of Koreans against their Japanese overlords led to the establishment of an exiled Korean government, with headquarters in Shanghai. Dr. Rhee was elected president and served in that office until 1941, when he nominated his old friend and colleague, Kim Koo, to replace him, while he continued as diplomatic representative of the exiled regime in Washington.

The first presidency was voided by the international rule-makers, who never officially recognised the Republic-in-exile, although it continued in existence for more than 25 years. At one time the non-recognised government, which maintained headquarters at Chungking during the war years, fielded an army of 35,000 men under the astute generalship of Le Chung Chun. Dr. Rhee pleaded for Lend Lease aid to equip large-scale guerrilla warfare against the Japanese life-line through Korea to North China, but the rival requirements of Europe and MacArthur's Pacific Command kept him from getting any. Even so, a major underground organisation inside Korea was maintained, as the Americans found after their landing on September 8th, 1945.

Dr. Rhee's second incumbency as "First President" is slated to follow his overwhelming victory at the polls in the United Nations observed election held in South Korea on May 10th. Results indicate that Communist voting strength in South Korea is less than five per cent. of the whole. The National Democratic Unity Federation led by Dr. Rhee won control of some 170 seats in the 200-seat Constituent Assembly, with independent candidates winning about 20 and non-Communist leftists electing three.

The Korea election has the added result of making Korea both the newest and oldest of existing governments. Under a succession of usually stable dynasties, each averaging an existence of over 500 years, the old Korean monarchy existed for a reputed 4,245 years. Then came a 35-year "black out" of Japanese rule, which was ended by the atomic explosion at Hiroshima. A division of Korea between Russian and American occupation forces was revealed when the two armies separately entered Korea to accept the Japanese surrender, and each proceeded half-way through the peninsula to the 38th parallel line. American attempts to reach an agreement with Russia for a joint withdrawal have failed, and the result was the United Nations observed election held May 10th in the American-occupied zone.

Organisation of the new government is expected to be completed by mid-August or early September. When the new Republic of Korea is formally proclaimed, it will have *de jure* authority over the whole of Korea, but actual possession of only the southern half. A Russian puppet regime, scorning the "imperialist" method of United

Nations sponsored elections, has already been established in North Korea, and claims to be the "real" representative of the whole Korean nation.

The struggle that portends between North and South Korea will be diplomatic, economic, and probably military. Diplomatically, the southern election, in accordance with the United Nations resolution, will lead to establishment of a national government that presumably will be recognised by at least the 43 members of the United Nations which voted for the election procedure. The Soviet Union and its satellites, meanwhile, doubtless will extend their recognition to the puppet regime with its capital in the northern city of Pyengyang.

Economically, both North and South Korea are dependent upon reunification. The North, with one-third of the population, needs the food and consumers' goods produced in the South; and the South needs the raw materials and hydro-electric power from north of the 38th parallel. The first blow in the economic warfare was struck by the Soviet-occupied area when promptly on May 14th it shut off the hydro-electric power hitherto supplied to South Korea.

Military danger to the South looms through the establishment by the Russians of a conscript army of 250,000 men in North Korea, trained by Soviet officers and armed with Japanese weapons. South Korea has only a police force and constabulary force totalling an estimated 60,000 men. Dr. Rhee has already indicated that one of his first acts, as President of all Korea, will be to call upon the northern army to place itself under his command.

In meeting these dangers, Dr. Rhee will need all the skill acquired in his life-long fight for Korean independence. In 1895 he assumed leadership of the reform forces that sought to introduce western democracy into the old Korean monarchy. For that effort, Dr. Rhee spent seven years (1897-1904) in prison. After winning his A.B. degree from George Washington University, his M.A. from Harvard, and his Ph.D. from Princeton, Dr. Rhee continued the struggle that finally culminated in the May 10th election.

As a statesman who has gained his education and spent most of his life in the United States, Dr. Rhee has announced the following platform as a means of achieving the reunification and prosperous development of Korea: (1) to institute a programme of liberalised democracy, based on universal adult suffrage and nationalisation of expropriated Japanese industrial and communication facilities for the benefit of all the people; and (2) to request the maintenance of a token force of American troops in Korea until the Soviet-occupied area should be reunited with the South, in accordance with the United Nations vote.

The tasks confronting the new government are staggering:

1. To reclaim control over North Korea.
2. To build a defence force adequate to offset the conscript army of 250,000 men built up by the Communist regime in North Korea.

3. To rehabilitate the economy of the country, which has tragically deteriorated during the past three years of stalemate.
4. To check the inflation which has multiplied paper Won from eight billions in 1945 to over 30 billions to-day.
5. To develop a programme to enhance the welfare of Korea's thirty million people, some 70 per cent. of whom are farmers.

6. To increase educational, medical, and social welfare facilities, all of which have fallen far below adequate levels.

7. To secure effective American support against the enormous pressure from the Soviet Union, which seeks now, as it has for 75 years, to gain control of Korea's ten excellent ocean ports and extensive mineral and hydro-electric resources.

THE JAPANESE LANGUAGE

by D. C. Mason

THE origins of the Japanese language, as of the Japanese race itself, are shrouded in mystery. The early theory, held by missionaries, that it was invented by the devil to obstruct the propagation of the scriptures, has been discredited but not superseded. Efforts to trace a connection between Japanese and any other language have so far been fruitless. Japanese has acquired certain common elements with Chinese, but fundamentally the two languages are entirely distinct.

The Japanese first came into cultural contact with the Chinese about fifteen hundred years ago; and from that time onwards their language was, for better or for worse, subject to Chinese influence. Not only did they hereby acquire the gentle art of writing; they also enriched their vocabulary enormously by borrowing and assimilating Chinese words. But while the possession of a script and the achievement of a wider and more varied vocabulary are of undisputed value in themselves, it is, perhaps, unfortunate that Japan's geographical position should have appointed the Chinese to confer on her these benefits. For the Chinese script is singularly ill-suited to the Japanese language; and the combination of the two has produced an uncomfortable hybrid which for complexity, ambiguity and sheer clumsiness must be unrivalled the world over.

The Chinese script was originally a method of picture-writing. Whereas in an alphabet each letter stands for a particular sound, in Chinese each character represents either a concrete thing or an abstract idea. This necessitates an almost indefinite number of characters, in contrast with the twenty or thirty letters of European alphabets. And since whatever pictorial significance these characters originally possessed has in most cases disappeared completely, it is now impossible to recognise the meaning of a character simply by looking at it—you have to learn each separate character by heart if you are to save yourself the trouble of looking it up in a dictionary every time you meet it.

Unfortunately, in adapting this script to their own needs, the Japanese have made it even more complex and unwieldy than it was to begin with. In Japanese there are usually at least two ways of pronouncing a given character;

there may, in fact, be several readings, but they fall into two main classes known as the Kun reading and the On reading.

The Kun of a character is the Japanese word which is normally associated with it. It is not a phonetic equivalent in the strict sense; it might more correctly be described as the Japanese translation of the Chinese character. An imaginary parallel may be drawn by considering that if the British Isles had happened to be situated on the other side of the world, and the English people had come into contact with the Chinese before they had learned to read and write, they might now be writing the word "man," for instance, not by spelling it out letter by letter as it is pronounced, but by drawing a rather crude representation of a body with two legs. The Chinese would pronounce it one way, we should pronounce it another way, but the character itself would mean the same in both languages. (For that reason it is actually possible for a Chinese and a Japanese, neither knowing each other's language, to carry on the bare essentials of conversation with pencil and paper.) And, to continue the analogy, we should use precisely the same character for the word "person" also. A Chinese character as used by the Japanese may have several Kun—different words with the same or similar meaning, or different parts of speech relating to the same idea. It does not stand for a sound, nor even for a word; it stands for an abstract idea which may be represented in the spoken language by a number of different words. Any Japanese word relating to that idea may be regarded as a possible Kun reading, though in actual practice two or three words alone generally become associated with a single character.

The On of a character is the original Chinese pronunciation—modified through centuries of Japanese mispronunciation. It is generally monosyllabic, and is always used in words of Chinese origin. Of these there is an exceedingly great number. If you open a Japanese dictionary you will find many more words of Chinese origin than pure Japanese words, just as an English dictionary contains a large proportion of words of Latin origin as distinct from pure Anglo-Saxon words. In both cases the latter are generally concrete nouns and the commoner verbs and adjectives, whereas words expressing abstract ideas and

suggesting a more advanced state of intellectual development are mostly drawn from the classical source.

Unlike Chinese, which consists of a series of uninflected monosyllables, Japanese possesses a somewhat complex grammatical system. Verbs and adjectives make use of numerous inflectional endings to express different tenses and moods—this is especially true of literary Japanese—and the position is complicated by the fact that adjectives are really verbs, while verbs can be used as adjectives! Furthermore, different forms of speech are necessary to express varying degrees of politeness as required by the social status of the speaker compared with that of the person addressed. Some sort of phonetic script was found necessary to express on paper these grammatical word-endings, and to supply this need the Japanese invented the Kana syllabary. This consists of forty-eight letters, derived from Chinese characters but greatly simplified; five of them represent the five vowels, one is used for "n" at the end of a word, and the rest each stand for a consonant followed by a vowel.

Let us pick one character at random as a practical illustration of this. A certain character stands for the abstract idea of speech. (It is written'. The left half by itself means "word." The right half means "tongue.") The On is *WA*, and the Kun is *hanashi*. The On is used in such compound words of Chinese origin as *KAIWA* (written'), which means "conversation," and of which the first syllable is the On of the first character. Many words originating from Chinese are, like this one, a combination of two or more Ons. *Hanashi* is a pure Japanese noun meaning "talk, story"; with it is connected the verb *hanasu*—"to speak." In writing the character itself is used for the root of the word, *hana-*, while the final syllable, *-shi* or *-su* as the case may be, is spelt in Kana. The polite form of the past tense—"spoke"—is *hanashimashita*. (In script this is written'.) The character stands for *hana-*, the root of the verb, and the remaining four symbols represent the syllables *-shi-ma-shi-ta* in the Kana syllabary. It will be noticed that the Kana symbols are much less elaborate than either of the Chinese characters illustrated here; they are, in fact, greatly simplified forms of certain Chinese characters whose Ons are *SHI*, *MA* and *TA* respectively.

Normally Japanese writing consists of a fairly even mixture of Chinese characters and Kana. It is actually possible to spell everything out in Kana. But no purely phonetic script can ever be completely adequate, owing to the vast number of homonyms in Japanese. Every language possesses a certain number of these; this language possesses them in supernormal abundance. Japanese speech is subject to many phonetic limitations. The Japanese are unable to pronounce two consonant sounds together without a vowel intervening; and the number of vowel sounds and consonant sounds which they make use of is comparatively small. For that reason many words which in Chinese are pronounced differently are by the Japanese pronounced alike. Looking through a character dictionary you will find scores of totally different characters all possessing the same On. You cannot distinguish them

by sound; you can understand their meaning only by looking at them. For this reason phonetic values by themselves are inadequate to express the meaning without ambiguity. Difficulty rarely arises in ordinary conversation, as you tend to use a simple vocabulary with a preponderance of pure Japanese words. Even then it is occasionally necessary to "draw" a character in the air with the finger in order to make the meaning clear. In writing, the problem is more acute. The more complex the ideas which the writer is expressing, or the more "literary" he is trying to be, the more he will use words of Chinese origin for which he has to depend on Chinese characters.

It is not to be imagined from the foregoing that in Japanese there are as many characters as there are words. Many of the less common words are made up of two or more frequently used characters. To read a newspaper or a work of light fiction without having continual recourse to a character dictionary requires a knowledge of some three or four thousand characters. A person with any pretensions to scholarship would, however, know considerably more than that number. With Japanese there are degrees of literacy. In the case of a European language, either a person can read and write, or he can not. But while every Japanese knows the Kana syllabary, the number of characters at his command depends entirely on the standard of his education. If when writing he does not know the character for a word, he can always spell it out in Kana; if on the other hand his knowledge of characters is extensive he will lose no opportunity of demonstrating the fact!

For the benefit of their weaker brethren, the kindly editors of newspapers and magazines frequently insert the Kana (phonetic reading of a character in very small print by the side. And as journalists love to display their superior scholarship by using an impressively if unnecessarily high proportion of Chinese characters, there is often an almost unbroken "phonetic commentary" running down the right-hand side of the text itself (which is read vertically, and from right to left). This duplicate text is called *Furigana*.

Whatever comments an Englishman is tempted to pass on the adequacy of a script which requires a subsidiary script to explain it, he must at the same time recognise that to alter the script at this stage would involve altering the language itself. The Japanese language, having once taken this line of development, cannot turn back. And those whose misfortune it is to have to learn it must accept this fact with its accompanying inconveniences, and be content to echo in their minds the sardonic statement of an eminent authority on Japanese, that as a practical medium of expression the Japanese language is without inferior.

言舌會
言舌しまして

TOKYO CHIT CHAT

from our Correspondent in Japan — John Murdoch

SOVIET AGENTS

SOME Japanese sources believe that Russia is smuggling Mongolians and other Oriental agents into Japan to gauge American military activities. According to information trickling into the Japanese Government's Liaison and Co-ordination Office, Soviet spies have been landed on Hokkaido, Japan's most northern main island, from nearby Russian-occupied Kunashiri, main island in the Kuriles. The agents are alleged to have forged ration cards and other spurious documents. At least two Soviet lieutenant-generals are stationed on Kunashiri where an old Japanese airport has been enlarged.

PRIESTS FORM UNION

Religion is not without its labour troubles in Japan these days. Over hundred devout Shinto priests of the Ise Grand Shrine recently formed a trade union and demanded higher remuneration for their prayers and ministrations. The dispute, as the trade journalists say, was amicably settled following talks between representatives of the Shintoists' union and management concerned. A compromise plan—50 per cent. of present pay, including family allowances—was mutually agreed upon and signed.

ROYAL BUSINESSMAN

Deprived of most of his wealth by heavy taxes and of most of his clothes by burglars, ex-Prince Higashikuni, 60-year-old uncle to Emperor Hirohito, invested in a food store and curio shop. His books recently showed a loss of 1,700,000 yen and he was reported to have said that the loss could easily have been recovered if he had indulged in black market activities, but that was something he refused to do. Only by the flourishing business done in his two curio shops in Tokyo, where he has been finding eager buyers for his little family treasures, has he been able to live moderately. His means, however, enable him to maintain all 12 members of his former household, whom he employs in his shops.

FIRST OUTSIDE VOTE

With the visit to Japan of Mr. Edward T. Clark, an official of the World Movement for World Federal Government, an arrangement was made whereby Japan will have a triple vote at the movement's annual convention at Luxemburg in September. After conferring with a Japanese organisation known as the Institute for Per-

manent Peace, Mr. Clark announced that Japanese delegates will be invited to the convention. This will be the first time since the end of World War II that Japan has had a say in the affairs of an international society.

INDIANS VISIT JAPAN

Chaman Lal, noted Indian journalist, on a visit to gain knowledge about post-war Japan, was guest of honour at a tea party given at the Kobe home of B. D. Bhagat. About 25 other Indians, including S. B. Mehta, who came to Japan in 1902, and who is perhaps oldest Indian national resident in Japan, also attended.

Hindustani was spoken along with English at the party, and the view was expressed that these two languages would continue to be used side by side with the provincial languages of India and Pakistan.

Mr. Lal told me that some Indians resident in Japan seemed apprehensive that the English literature so dear to them would disappear from India. Of that there is little fear; in point of fact there is evidence from many sources that English is being more and more encouraged among Indians for the promotion of international amity. S.C.A.P. is to be congratulated in sending a Japanese trade mission to India, which as a nation now stands for co-operation with other countries anxious to cement closer commercial and cultural relations.

ARRESTED BY GHOST

By taking on 8,000 new policemen the strength of the Tokyo Police Force has risen to 25,000 for a population of approximately 5,000,000. Perhaps the most interesting of recent crime incidents in Japan is that in which a young Japanese voluntarily surrendered to the police for murder. The ghost of the 87-year-old man he had killed was haunting him night and day, he told the police, and he could stand the torment no longer. He claimed that the ghost of the deceased was so ferocious that it even tried to choke him during his sleep, and he was now afraid to rest.

TEXTILE BOYCOTT?

Coincidental almost with the publication in the *Eastern World* of the new plan to aid the Japanese textile industry, Hong Kong textile interests asked the Chinese Chamber of Commerce and Singapore Chinese Textiles and Sundries Importers' Union to boycott all Japanese manufactured textiles on the grounds that they are a threat to the textile trades of China and Britain. The Hong Kong

combine averred that Occupied Japan was turning out cheap textiles whereas the Chinese industry had to cope with soaring costs. Chinese leaders have described the unloading of a heavy influx of Japanese textiles into south-east Asia as a Japanese trick to redominate the Far East trade field, and have warned that "only a firm policy can protect Chinese interests and thwart any attempt by U.S.A. to build up Japan to the detriment of other nations."

CURRENCY AGREEMENT

Agreement on an overall currency plan to place both private and Government trade between Japan and sterling areas on a cash sterling basis, announced by General MacArthur, is likely to facilitate and greatly expand trade in the Far East. The new arrangement supersedes the interim sterling agreement, adopted last November, which applied to private trade only, and is intended to provide a currency basis for overall trade between Japan and sterling areas. Initial participants are Britain and her colonies (excluding Hong Kong), Australia, Burma, Eire, Faroe Islands, Iceland, Iraq, New Zealand, Pakistan, South Africa, and the Persian Gulf sheikdoms.

The agreement applies to all trade between Japan and these sterling countries except for those transactions involving cotton textiles manufactured from raw cotton from America. Cotton textiles will continue to be made available for payment in dollars, acceptable foreign exchange, or goods, or any combination thereof deemed

advisable by S.C.A.P. Sterling acquired by S.C.A.P. in excess of amounts which can be spent in the near future will be convertible into dollars at regular half-yearly periods. Mr. Frank Pickelle, chief of S.C.A.P.'s Foreign Trade and Commerce Division, points out that this agreement is in line with continuing efforts to re-establish normal pre-war trading relationships, since Japan formerly conducted a large measure of its total volume of trade with Asiatic countries where trade was largely carried on in sterling.

FOREIGN CAPITAL

Foreign capital may be allowed to bolster up Japanese industry even before the peace treaty is signed, if Washington approves of proposals outlined in a U.S. departmental survey entitled "The Position and Prospects of Foreign Investment." The present situation in Japan is somewhat obscure by reason of the uncertainty of what reparations will be demanded, but—assuming a prompt settlement of that problem—Japan would retain sufficient plant and machinery for the production of the goods it most requires for home and export markets. However, as the report stresses, most Japanese concerns to-day lack the money to buy raw materials to replenish losses and, as I pointed out in a previous issue, foreign private commercial representatives have now been permitted by S.C.A.P. to enter Japan and file claims for the restitution of pre-war holdings and also to engage in export-import trade.

THE TRIBESMEN IN KASHMIR

by Noel Cooke

WHOM will ultimately possess Kashmir—the Indian Union, Pakistan or the tribesmen who inhabit the independent territory north-west of the river Indus? No solution to the Kashmir dispute has so far been found: a dispute which nearly brought the new Dominions to war. As with Palestine, the Security Council of the United Nations has no practical plan to offer and no force to impose a settlement. Is the immediate issue between the Indian Union and Pakistan? No. Actually it is a three-cornered dispute with the Indian Union blaming Pakistan for the misdeeds of the Pathans over whom the Pakistan authorities have little or no control even though they are united in the common bond of Islam. These independent tribesmen are in Kashmir. Who can get them out?

The history and the way of life of the inhabitants of the independent tribal territory in the north-west corner of India are such that verbal persuasion makes little impression upon their minds. Diplomacy is a closed book to the Pathans. These tribesmen are hardy, fearless, well armed and fanatical: easily whipped into aggression; hospitable to those who eat their salt but quarrelsome and ever ready to break out from their barren mountains in which they have been confined in the interests of peace on

the plains of India and the mountains of Kashmir.

They have governed themselves according to their own Islamic laws and customs and have closer affinities with their Afghan brethren than they have with the Muslims of Pakistan. The men of the tribal tracts have ever been free of law as the west knows it. To the Pathans modern forms of government are an interference with their way of life, to be resisted by force.

The independent tribesmen inhabit the 25,000 square miles of unadministered territory of the north-west: South and North Waziristan, the Kurram, the Khyber and the Malakand. Only five districts of the North-West Frontier Province, covering 13,400 square miles, were directly administered by the late government of unpartitioned India. This tribal territory lies between the Hindu-Kush range on the north and Baluchistan on the south: between Kashmir and the Punjab on the east and the Durand Line on the west—the official frontier of Afghanistan delimited in 1893. The North-West Frontier has always been an international problem and the marching road for all the invaders of India. During the British occupation the un-administered tracts constituted a no-man's-land between India and Afghanistan and much of the crime in the five

administered districts could be traced to the infiltration of the inhabitants of the tribal areas and the countless border raids. To influence, let alone administer, this vast mountainous country, half the size of England, a well financed, organised and resolute government has always been required and strong men—like John Nicholson and Herbert Edwards—alone kept the tribesmen in check. They were always ready to break out and loot Northern India and their independence has brought them in constant conflict with the rulers of India throughout history. Hence, at the first sign of weakness following the chaos of partition, the Pathans broke their shackles and entered Kashmir.

From 1294 until 1819, when the Sikhs took over, Kashmir had been under Islamic influence. The last conqueror was Ahmed Shah, founder of the Durani Afghan dynasty, who captured Delhi in 1756 from his own co-religionists.

In August, 1947, the British Crown's suzerainty over Kashmir ceased. Geographically and economically Kashmir had become dependent on the West Punjab and all three roads to the capital, Srinagar, led out of that territory. In addition, 76 per cent. of the population were Mohammedans, ruled by a Dogra Rajput Maharaja influenced by 694,000 wealthy high caste Hindus. The Muslims of Pakistan felt, with some justification, that Kashmir should become an asset of the new Islamic dominion. But when the trouble began it was not Pakistan, as such, that was the aggressor. It was the independent tribesmen who took advantage of a small scale rebellion against the Kashmir Dogra dynasty. In October last, the Pathans first attacked Muzafrabad, at a point where the Kashmir border marches with that of the North-West Frontier district of Hazara; crossed the Jhelum at Domel, where the road leads out to Abbottabad, cut communications between Srinagar and Rawalpindi—a hostile act against Pakistan—sacked Baramullah, one of the three principal towns of the Vale and fought their way to within eighteen miles of Srinagar. At the request of the Maharaja, airborne troops from the Indian Union opposed them and since then the relations between Pakistan and India have been strained. By the end of October, Pakistan and the Indian Union were on the brink of war; for Mr. Jinnah, under great

emotional stress, ordered General Gracey, his acting Commander-in-Chief, to counter the Indian Union move in flying troops to Kashmir by sending Pakistan troops from Rawalpindi to recapture Baramullah, from which the tribesmen had been driven; occupy Srinagar, hold its air field and cut the Banihal route into India. By then, Kashmir had acceded to India, and, therefore, the sending of troops would have been an act of war. But following consultation with Field Marshal Auchinleck, a plan of compromise was formulated in which it was suggested that the Indian troops and the tribesmen should mutually withdraw, and a referendum be taken on the future of Kashmir.

That the invasion of Kashmir was the result of pressure brought upon the tribesmen by their co-religionists of Pakistan—and not a tribal raid of considerable magnitude—seemed to be set off by the fact that a revolution broke out in November in far off Gilgit, on the southern slopes of the Hindu Kush. The charge of Gilgit Agency was handed over to Kashmir State on August 1st, and a Hindu Governor was appointed. His appointment was opposed by the Muslim inhabitants of Gilgit and Chilas and *mullahs* began to preach a holy war. The rising was only subdued by the initiative and wise leadership of two British officers attached to the Gilgit Scouts and further trouble averted in an area where Kashmir had a common border with Russian dominated China. This in itself is significant for the cubs of the Russian bear have ever been a danger in the barren hills of North-West India, and, according to old standards and beliefs, the advance of the tribesmen into India usually heralded a storm from the north-west. Many who know the border fear that there is more behind the present troubles in Kashmir than the overthrow of a minority dynasty or the territorial ambition of either Pakistan or the Indian Union. Only after a very long campaign, requiring more troops than the Indian Union can spare, could the invaders be driven back into tribal territory. There is little hope of Pakistan and the Indian Union agreeing on a joint effort in this direction and the ties of religion are not sufficiently strong for the Pakistan authorities to persuade the tribesmen to withdraw. Yet the tribesmen are out beyond the border; their ambition has been realised and compared with their barren hills, Kashmir is a garden of Eden.

INDIAN LABOUR PSYCHOLOGY

by H. G. Reissner (Bombay)

UNLIKE his counterpart in Europe or America, the average Indian workman is not an isolated urbanised proletarian individual. Though he may be employed in a factory in an industrial city, he usually retains his links with the land from which he hails and the joint family of which he remains a member. More often than not will his close relatives stay behind in the village while he leads a temporary life of a bachelor down town, with no greater urge on his mind than to go back, either on leave or for

good, as soon as circumstances compel or permit. If a call comes from his village, for instance if his hut requires refitting prior to the break of the monsoon, no other material consideration, be it loss of continuity of service in the factory or the like, will be of avail. Conditions of factory work, however materially attractive, will induce him to stick to his job only so long as he actually is, or feels he is, in need of ready cash. Better pay will hardly have him spend more money on his personal housing, food

and cloth. He will either save it up or at once remit it home for eventual re-investment in his family's village holding; or in the alternative he may indulge in drinking, gambling or visits to red light districts. As he usually is too tired to prepare his own food, he will either patronise small restaurants whose catering is none too nourishing these days on account of the ceiling put on prices, or he will entirely forego regular meals, with consequent temporary or permanent damage to his health. With his mind back on his village, he rarely looks upon his job in the factory as a "calling." His sense of pride in his performance and output is very little developed. His ambition is not so much after advancement and promotion. Therefore, the jobs of foremen and shift supervisors tend to go to members of the smaller, fully urbanised communities, like the Anglo-Indians, Parsees or Jews.

Foreign employers of Indian labour have made the experience that increase of wages beyond a certain medium will normally lead up to increased absenteeism. The expectation of annual leave, with or without pay, in India will be in excess of what is considered as conducive to the maintenance of health in Europe or North America. Outdoor sport facilities for workmen, desirable though they may be from a long range point of view, won't change the worker's outlook on either city life in general or employer-employee relations in particular.

Comprehensive feeding and, better still, housing schemes on the employer's account would be a desideratum. Unfortunately, in the traditional mill areas of such places like Bombay or Calcutta, congestion and prices of land render the cost of such schemes prohibitive. However, some modern industrial units like Tatanagar (Iron and Steel) and Batanagar (Shoes) were, from the very beginning, planned as self contained communities with residential quarters, schools, hospitals, etc., constructed round the factories and offices. Other firms like Godrej Soap begin

to follow suit while purchasing plots in suburban areas large enough to accommodate workmen's families side by side with the productive plant.

The present writer has had the good fortune of visiting factories started in the very heart of the jungle by farsighted employers. Labour in such places was, on the whole, more contented than in the big cities. After the shift's end they were able to repair to their families. Food was more plentiful and home grown, in other words more readily acceptable than the imported wheat and rice which the rationing authorities in the cities can procure. Even members of backward hill tribes proved highly adaptable to the rhythm and requirements of modern industrial work. Western experiences repeated themselves in that women turned out to be more easily qualified for delicate operations. There were, of course, periods of slackness in attendance coinciding with the time when the fields required additional attention; but such breaks were largely foreseeable. The only regrettable hitch, then, was an excessive percentage of absenteeism on the day following pay day, due to many workers having got drunk the night before.

Similar observations ought to lead unbiased examiners to review Europe- or U.S.A.-grown notions on how to keep Indian Labour "reasonably happy." The various Indian Provincial Governments seem to have a good case for gradually enforcing Prohibition. The Indian Central as well as the several Provincial Governments will be well advised, when chalking out their industrial expansion programmes, to bear in mind as far as technically possible, the late Mahatma Gandhi's plea for the establishment of secondary industries in village communities.

The problem of political organisation of labour has likewise begun to influence the mind of the Indian workman; but an analysis of this factor must be reserved for separate study.

HISTORICAL

by Lt.-Col. D. MacD. Fife (Ranikhet, India)

THE State of Hyderabad is full of history. Indeed, there are few places that can offer such scope for the historian, archaeologist, or ordinary sightseer who is interested in these subjects. But it is by no means all past history, for this is a medieval kingdom that has been converted into a modern State, with University, Colleges, Schools, Hospitals, Air and Broadcasting Services, Irrigation Works, Industries, and many fine new buildings.

Muslims have now ruled in Hyderabad for over 600 years. In 1318, Qutb-ud-din Mubarak Shah captured Daulatabad Fort, the stronghold of the ruling Yadava family, and put an end to the Rajas of Deogir. Other known Hindu Kings of the Deccan before the Moslem conquest were the Warangal Kings, of whom Prataparudra II was the last; the Rashtrakutas; and the Chalukyan Kings whose dynasty ended in the 8th century.

HYDERABAD

It is from the Ajanta and Ellora Caves that we can learn something about the very early history. Ajanta represents every stage of Buddhist architecture, painting, and sculpture, from the first century B.C., to the seventh A.D. Ellora contains the work of Buddhists, Brahmins and Jains varying in age from the third to the ninth century A.D.

Daulatabad was the scene of another change in 1347, when the inhabitants rebelled, and overthrew the power of Delhi. Ala-ud-Din Hassan Gengoh Mahmani was made King, and founded the Bahmani dynasty. Ahmed Shah the ninth Bahmani King, built his capital city at Bidar, a fine site on a high plateau 2,300 feet above sea level. It was the site of an ancient Hindu city, identified as the "Vidharba" of Sanscrit literature. Bidar remained the centre of Moslem power for centuries; but it was its very existence as a fortified town that challenged the

supremacy of the Delhi Raj, and brought about the end of the Bahmani dynasty. Bidar contains the tombs of fifteen Kings, but that of its founder is the most beautiful.

In 1656, the city fell to Aurangzeb, and with the capture of Golconda Fort, after an eight months seige, the Moghal Emperor gained supremacy over the Deccan.

The Bibi-ka-muqbara at Aurangabad is the most striking building erected by Aurangzeb. It was modelled on the Taj Mahal, and was built between 1650 and 1657 as the mausoleum for Aurangzeb's wife, Rabia Durani. It is in a very good state of preservation, and the actual tomb is surrounded by an exquisitely-carved white marble octagonal screen. Unlike the Taj, however, the central dome is of white stone, while the smaller domes are only faced with marble.

It was Asaf Jah who founded the Asaf Jahi dynasty, of which the present Nizam is the seventh lineal descendant. A distinguished general of Emperor Aurangzeb, he was made Viceroy of the Deccan in 1713, with the title Nizam-ul-Mulk. When chaos and disturbances followed the disruption of the Moghal Empire, Asaf Jah established himself as the independent King of the Deccan. But after his death there was a succession dispute in which his son Nasir Jung and grandson Musaffer Jung were both killed, while another son, Salabat Jung was dethroned by the nobles. Nizam Ali Khan, the fourth son, was now proclaimed ruler by the British (East India Company) and an alliance was concluded under which the Nizam was to be given troops in time of war, and in return for which the Northern Circars were ceded to the British. This alliance stood the test of wars with Tippu, Sultan of Mysore, who was finally defeated in 1799, and with the Mahratta Power which was overthrown in 1818.

During the rule of Nawab Nasir-ud-Dowlah a new treaty was concluded under which Berar, Osmanabad and Raichur were ceded to the British, while the Hyderabad Contingent ceased being a part of the Nizam's army, but became an auxiliary force kept by the British for the Nizam's use.

Afzal-ud-Dowlah, son of Nasir, succeeded to the throne in May, 1857, a critical period for the British. The Nizam had no love for anarchy, and assisted them in every way. In recognition of these services, all the districts previously ceded were restored to him. An exception was Berar, which was retained in trust, but later leased and finally, in 1936, its administration was handed over to the Central Provinces Government.

A regency was necessary from 1869 to 1884 until Afzal's son Mir Mahboob Ali Khan came of age. The Minister during this regency was Sir Salar Jung, known as Salar The Great, who introduced many reforms, and laid the foundations of modern administration. Mir Mahboob carried on these reforms, and was greatly interested in the welfare of his subjects.

The present Nizam, Sir Mir Osman Ali Khan, ascended the throne in 1911. Although then of youthful age, he had the advantage of a very comprehensive education. Two great wars have come in his reign, and as "Faithful Ally of the British Government" he contributed money, men and arms. Far-reaching changes have taken place in education, public health, rural uplift, irrigation and agriculture, to mention but a few of the many improve-

ments achieved. The Nizamsagar Dam and Canals which were finished in 1933, at a cost of Rs.426.79 lakhs, (£3 million) irrigate some 275,000 acres of land, while the Pocharam Lake and Dam, completed in 1921, provides water for a 36 mile canal, irrigating the land of 41 villages en route. Some 400 miles of main-line railway have been added, and the control of all railways has been a State affair since 1930.

Constitutional reforms include the abolition of personal administration by the Nizam, and the introduction of an Executive Council consisting of a Prime Minister and eleven ministers, the majority of whom are drawn from the elected block of the Hyderabad Legislative Assembly on a Hindu-Muslim parity basis. There is also a State Legislative Assembly wherein the elected members are in a majority.

With the introduction of the Indian Independence Act, all States were faced with a difficult position, and a decision regarding their future status has to be made. A number of the smaller States have handed themselves over to the administration of their adjoining Provinces, and the Rulers have surrendered power, but retain titles and receive a fixed allowance on a rational basis. Others have joined with similar States in forming a larger single unit, such as the Rajasthan, Matsya, etc., groups.

But Hyderabad, with a population greater than that of Afghanistan or Egypt, and an area larger than the British Isles, is in a different category. In comparison with those States that are now forming themselves into a large single unit, it may be said that Hyderabad achieved this stage many centuries ago.

Government of India

Applications are invited for an appointment as Director of the proposed Eastern Higher Technical Institution, India.

Candidates should be eminent technologists, preferably engineers, of proved organising and administrative ability, with high academic qualifications and internationally recognised research record. Previous experience in administration and development of high grade technological institution essential. Age not more than 50 years on 1st April, 1948. The Director will be required to undertake the preliminary work of establishing the institution and its subsequent management.

Contract for five years.

Pay up to Rs.3,000 a month (£2,700 per annum). Free passages for Director and family. Provident Fund.

Further particulars and forms of application may be obtained on request, by postcard, quoting No. 403.G. from the HIGH COMMISSIONER FOR INDIA, GENERAL DEPARTMENT, INDIA HOUSE, ALDWYCH, LONDON, W.C.2.

Last date for receipt of completed applications 20th August, 1948.

Government of India

Applications are invited for the appointments of Heads of the following Departments in the proposed

Eastern Higher Technical Institution, near Calcutta.

- (a) Architecture and Town and Regional Planning.
- (b) Civil and Sanitary Engineering.
- (c) Electrical Engineering.
- (d) Mechanical Engineering.
- (e) Chemical Engineering.
- (f) Geology and Geophysics.
- (g) Naval Architecture and Marine Engineering.
- (h) Textile Technology.

Appointees will be required to assist in planning and layout of the Institution, prepare syllabus for undergraduate and postgraduate courses, select and order equipment, assist in selection and training of other teaching staff and develop undergraduate and post-graduate departments of the Institution when established.

Qualifications. For (a)—F.R.I.B.A. or equivalent, wide experience as practising architect, some experience of town and regional planning, and five years teaching experience.

For (b), (c), (d), (e), (g) and (h)—1st class Honours degree in appropriate subject preferably with research degree of Doctor of Engineering, also 15 years experience including five years in industry and five years teaching in institution of University rank. Experience in conducting and guiding research and organising a new department essential.

For (f)—1st class Honours degree, and preferably research degree equivalent to D.Sc. internationally recognised research record. Experience of geophysical prospecting, and of conducting and guiding research. Ten years teaching experience and experience in organising new department.

Terms and Conditions. Contract for five years for posts (a), (b), (c) and (d) and three years for other posts. One year's probation. Pay scale Rs.1,000 a month rising by annual increment of Rs.50 a month to Rs.1,400 a month (£900 per annum rising to £1,260 per annum) plus expatriation allowance up to Rs.500 a month (£450 per annum) and Dearness Allowance. Free passages for an appointee, wife, and minor children. Provident Fund. (Expatriation allowance, and passages admissible only to appointees of non-Asiatic domicile).

Further particulars and forms of application may be obtained on request, by postcard, quoting No. 396.G. from the HIGH COMMISSIONER FOR INDIA, GENERAL DEPARTMENT, INDIA HOUSE, ALDWYCH, LONDON, W.C.2.

Last date for receipt of applications 20th August, 1948.

Government of India

The High Commissioner for India invites applications for the appointment of Power House Superintendent in the Power House of the Fertilizer Factory, Sindri, Bihar.

Candidates should preferably hold an Engineering Degree followed by adequate practical training, or alternatively A.M.I.Mech.E. or A.M.I.E.E., or equivalent American or Continental qualifications. They should have at least 15 years' power house operating experience in a responsible position, including at least five years in senior charge of a station of not less than 50,000 K.W. installed capacity operating at or near pressure of 625 lbs. per sq. inch and temperature of 825 deg. F. Age not less than 40 years.

Appointment on contract for period not exceeding five years. Pay Rs.2,000 a month rising by annual increments of Rs.100 a month to Rs.2,500 a month (£1,800 to £2,250 a year) plus £30 a month Sterling Dearness Allowance. Free medical attention. Provident Fund. Free passages for appointee and family with return passages for appointee of non-Overseas Pay for appointee of non-Asiatic domicile. Asiatic domicile.

Further particulars and forms of application may be obtained on request, by postcard, quoting No. 333.G. from the HIGH COMMISSIONER FOR INDIA, GENERAL DEPARTMENT, INDIA HOUSE, ALDWYCH, LONDON, W.C.2.

Last date for receipt of applications 14th August, 1948.

Government of India

Applications are invited for the appointment of Assistant Works Manager, Production (Scientific Optical Instruments) in the Ordnance Factory, Dehra Dun.

Qualifications: Age preferably between thirty and thirty-five years. At least five years apprenticeship with firm of repute, subsequent practical experience in manufacture and assembly of latest types of optical instruments. Science degree or equivalent and experience in control of labour desirable. Contract three years.

Pay according to qualifications, etc., up to Rs.850 per month (approximately £765 per year) plus Dearness Allowance. Bonus on satisfactory termination of contract. Free passage to and from India for appointee of non-Asiatic domicile.

Further particulars and forms of application may be obtained on request, by postcard, quoting No. 57.H. from the HIGH COMMISSIONER FOR INDIA, GENERAL DEPARTMENT, INDIA HOUSE, ALDWYCH, LONDON, W.C.2.

Last date for receipt of completed applications 6th August, 1948.

AIR TRANSPORT IN THE FAR EAST

by J. W. S. Brancker, Manager, Eastern Division, B.O.A.C.

AIR transport in the Far East has reached a very interesting stage of development. Up to the recent war, the point of evolution reached by civil aircraft as operated by the commercial air lines did not permit of intensive development of air services in the vast spaces and difficult terrains of the Far East. Roughly speaking, before 1939, there were only a limited number of "trunk" services operated by the major international airlines running through to the Far East, with a certain number of local "spur" lines or feeder services. Now, as the result of technical advances during the war, the aircraft have the range and the capacity, the airfields have been built or are being built, and the navigation aids and radio facilities have been brought to a standard which has made a general expansion of air service feasible throughout the whole area, especially the development of a "regional" pattern in addition to the "trunk" and "feeder" services.

In consequence, we shall probably see very active competition in the Far East area during the next few years. This competition, of course, will be restrained and guided by the co-operative activities of I.A.T.A. (the International Air Transport Association, which is the operators' own assembly for ordering their affairs on a reasonable basis) and to some extent by the regulations imposed by Governments through I.C.A.O. (the International Civil Aviation Organisation to U.N.O.), but the pressure generated will probably produce some marked changes in the existing Far East air pattern.

I think it likely that U.K. and British Commonwealth operators will continue to hold their position as the biggest suppliers of air transport for the Far East, both in trunk and in regional and local services. British interests—using the national term in its wider sense—are very extensive in Far East aviation, both on their own and in alliance with local interests, and they should be able to hold the position they have gained. We occasionally forget that the greatest pioneers in the development of long distance air transport have been the men from the British family of nations, and that world air transport virtually followed in British footsteps in their routes to the East. We should remember, also, that the actual manufacture of aircraft is by no means the whole story in civil aviation; a temporary predominance of foreign-built aircraft does not mean the occlusion of traditional British skill and "know-how" in using them.

In the present Far East air pattern, the main trunk route operations include the B.O.A.C. flying-boat services from the U.K. through India and Burma to Singapore, the N.E.I. and Australia, and the Australian (Q.E.A.) landplane services to U.K. from Australia through Singapore and Pakistan. In addition there is the B.O.A.C. Lancastrian freight and mail service through to Australia on the Q.E.A.

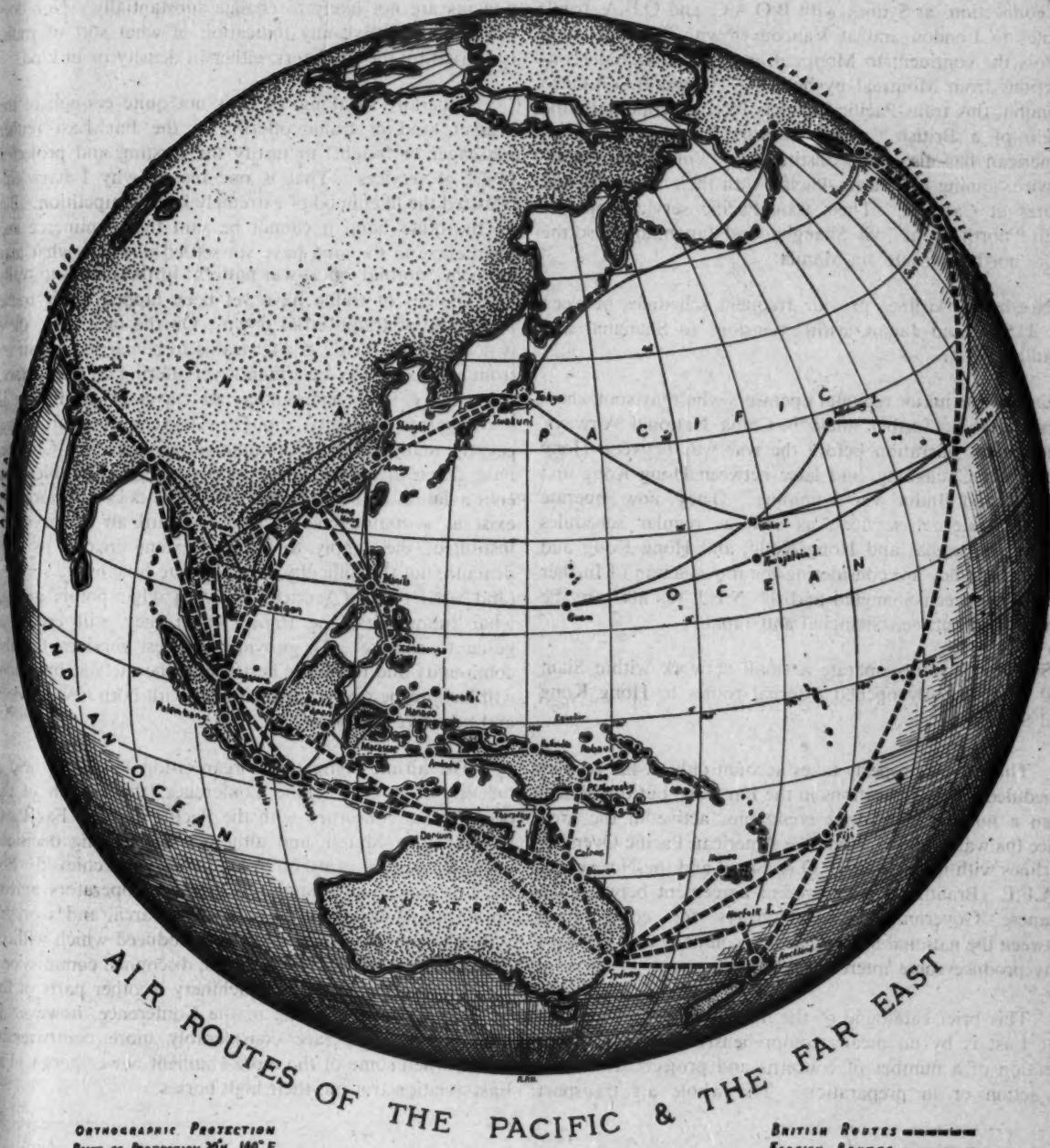
route. There is also another B.O.A.C. flying-boat service from the United Kingdom through Pakistan, India, Burma and Siam to Hong Kong and Japan. These British and Australian services are on a partnership basis with pooled revenues. It is unlikely that the terminal of the B.O.A.C. flying-boats in Japan will remain long at Iwakuni, which is used only as a temporary expedient pending the preparation of a marine terminal at Yokohama or elsewhere. If British air services (in the sense of U.K.—originating trunk services) are to serve Shanghai, as is at present contemplated, they can reasonably be carried out by flying-boats too.

Hong Kong Airways, a company formed by B.O.A.C. to explore the possibilities of local services and to meet territorial requirements, also operate regular services between Hong Kong and Shanghai and Hong Kong and Canton. These services are complementary to the other regional B.O.A.C. flying-boat services between Hong Kong and Singapore, both direct and via Bangkok. Consideration is being given to expanding these flying-boat services to embrace additional important centres. Another important British development under consideration is a direct flying-boat service by Q.E.A. between Australia and Hong Kong. Cathay Pacific, started by mixed American and Australian interests, but recently acquired by Messrs. Butterfield & Swire and Australian National Airways, has for years been a major regional operator with semi-regular services linking Hong Kong, Manila, Bangkok, Rangoon and Singapore, and less frequent charters to Sydney.

A new and growing British factor in the Far East aviation is Malayan Airways which provides local services in the Malay Peninsula and is gradually developing regional services, such as its existing Singapore—Penang—Bangkok service and its route to British North Borneo; there is considerable scope for increased services radiating from the natural centre of Singapore. B.O.A.C. has a small capital participation in Malayan Airways and has also provided technical assistance.

An important non-British regional operator is Philippine Airlines which will be the first airline in the Far East to get the new D.C.-6 aircraft; it has plans for extensive enlargements of its routes. At present, in addition to its internal services within the Philippines, it runs frequently between Manila and Hong Kong, with a connection to Shanghai, twice-weekly across the Pacific between Manila and San Francisco, and twice monthly from Manila to Madrid.

Of more remote interest to the Far East is the tripartite British enterprise B.C.P.A. (British Commonwealth Pacific Airlines), formed by the Governments of the U.K.



Map shows the main "trunk" air routes and the regional services connecting all territories between Calcutta and California. Local internal services (e.g., inside China) are omitted. Russian routes are not shown for lack of definite information.

Australia and New Zealand, which operates across the Pacific between Sydney or Auckland and Vancouver. By its connections at Sydney with B.O.A.C. and Q.E.A. trunk routes to London and at Vancouver with T.C.A.'s route across the continent to Montreal, with trans-Atlantic connections from Montreal by both T.C.A. and B.O.A.C. to London, this trans-Pacific link has recently completed the chain of a British "round-the-world" air girdle. Pan American has also lately instituted a "round-the-world" service, joining their trans-Pacific with their trans-Atlantic routes at Calcutta. Their trans-Pacific services operate both "north-about" via Shanghai and Japan, and also the more northerly route via Manila.

Northwest Airlines provide frequent schedules between the U.S.A. and Japan, with extensions to Shanghai and Manila.

One of the major regional operators who may soon show signs of going further afield is China National Airways. Their main operation before the war was between Hong Kong and Chungking, and later between Hong Kong and Burma and India via Kunming. They now operate frequent internal services, as well as regular schedules between Shanghai and Hong Kong, and Hong Kong and Calcutta. They are considering the introduction of further services between Shanghai and the N.E.I. (as also are the Dutch) and between Shanghai and Japan.

Siamese Airways operate a small network within Siam and have recently opened external routes to Hong Kong and Singapore.

This article properly takes account only of the regular scheduled airline operations in the Far East, but there have been a number of charter companies active in the area since the war. They include the American Pacific Overseas Airlines with its associate P.O.A. Siam, and the Norwegian S.A.F.E. (Braathens). The recent agreement between the Siamese Government and Skyways for co-operation between the national Siamese airline company and Skyways may produce some interesting developments.

This brief catalogue of the main air operators in the Far East is by no means comprehensive, and makes no mention of a number of concerns and projects which are in action or in preparation. The whole air transport

picture in the Far East is in a fluid formative state, though, as I have indicated, my own belief is that the major components are not likely to change substantially. Nor does this catalogue give any indication of what sort of traffic is carried by the operators, either in density or in kind.

Generally speaking, there is not quite enough of the present kind of traffic offering in the Far East (either passenger or freight) to justify the existing and projected range of services. That is one reason why I have emphasised the likelihood of extremely keen competition. But on the other hand it cannot be said that commerce and intercourse in the area have yet settled down to what may be their "normal" post-war pattern; furthermore, no really new sources of traffic have yet been tapped. Air traffic may grow as trade settles down. On the face of it, there is potentially a vastly greater traffic to be carried by air in, from and to the Far East than is yet offering on the surface. To many of the communities, air travel or air freight is a comparative novelty, though it is very noticeable how eagerly many of the communities, such as the Chinese, have taken to the air. One of the perennial problems in civil aviation is that potential air traffic does not normally exist as a commercial proposition until air services are instituted; the supply to a large extent creates its own demand, but the difficulty is to estimate how many services (and what type of services, between what points and at what frequencies) the traffic which they will create is going to require. To provide the best services for the community and to get the best results themselves, operators will have to be ready to experiment with both new services and new fare structures.

The airline companies' organisation I.A.T.A., held a meeting of its 3rd Traffic Conference (the branch of the organisation concerned with the Pacific and the Far East) in Sydney in March, and although no startling decisions were taken, a lot of useful groundwork was achieved. For the first time, for example, the regional operators agreed on a scale of fares, for all parts in the area, and a proper system of agency machinery was introduced which will co-ordinate such matters as bookings, discounts, commissions, etc., with normal I.A.T.A. machinery in other parts of the world. The next meeting of the Conference, however, is likely to have to face considerably more controversial issues, when some of the more ebullient newcomers to Far East aviation trot out their high horses.

Indo-Pakistan Air Agreement

A bilateral air transport agreement which comes into force on July 1st, 1948, was signed in Karachi, between the Governments of India and Pakistan. Airlines designated by India will be entitled to operate air services on ten specified routes, and airlines designated by Pakistan will be entitled to operate air services on nine routes.

Two air companies have been granted licences by the Government of Pakistan for air transport services: Orient Airways have been granted licences of nine routes, including one from Karachi to Teheran. Pak-Air will run seven services, including three to foreign countries. They are: Karachi-Calcutta-Rangoon-Singapore; Karachi-Bombay-Colombo and Karachi-Cairo.

THE MALDIVES

by Austin de Silva (Colombo)

A NEW treaty has just been signed between His Majesty's Government in the United Kingdom and the Government of the Maldives, following the grant of Dominion status to Ceylon.

All these years the Maldives paid an annual tribute to the Governor of Ceylon as representing His Majesty the King. The presentation of this tribute, which took place every year in December, provided picturesque old-world ceremony and was a popular event in Colombo. It was rendered in accordance with a pact signed in 1887, in which the Sultan of the Maldives recognised for himself and his successors the suzerainty of the sovereigns of Great Britain over his Islands. The Sultan also disclaimed all right or intention to enter into negotiation or treaty with any foreign State except through the rulers of Ceylon. For their part, the British Government undertook to protect the Maldivian Islands from all foreign enemies and to abstain, as far as possible, from intervention with the local affairs and disputes of the Islands. The Maldives have, therefore, been always independent in the conduct of their internal affairs, although they have politically been a dependency of Ceylon. This independence has been possible because of the sequestered and commercially and industrially unimportant nature of the Islands.

The Maldivian archipelago is a group of coral islands in the Indian Ocean, 400 miles south-west of Ceylon. The inhabitants, numbering about 80,000, are isolated from the rest of the world, except for communication with Ceylon and South India, which is principally done by dows or buggalows—primitive sailing craft built by them in their own native style.

The Maldivians are thus a hardy, seafaring race. Their isolation has been responsible for the preservation of all their original customs and traditions to which they still cling. They are Aryan and Sinhalese in origin. Archaeological discoveries indicate that they originally professed Buddhism, the religion of Ceylon, thus emphasising the intimate relations that existed between the two countries in ancient times. But Mohammedan invaders probably of the Akbar period overran the islands and wiped out all traces of Buddhism. Today the inhabitants of the Maldives are all Muslims belonging to the orthodox Sunni sect. Male is the chief island of the group and the capital town. It has a population of 8,000, and is about one mile in length and half that distance in breadth. The roads are clean and straight and are paved with coral. Everybody walks in the Maldives except those who own bicycles, which are the most popular mode of transport. There are only two motor cars, one owned by the Sultan, being a gift from the Borahs who are the trading community, and the other by the Home Minister. The dwellings are primitive in design. Except for the houses of

the nobility, which are zinc-roofed, the others are cadjan-roofed and small. Sanitary conditions are clean and healthy. There is, however, only one doctor, a Ceylonese, who lives at Male at the express wish of the Government and caters for its 8,000 inhabitants. The rest of the islanders look up to the local physicians to safeguard their health. To the north-east of Male are the islands of Dunidu, Funado and Hulile, while to the south-west is the island of Viligilli. These are unimportant coral islands.

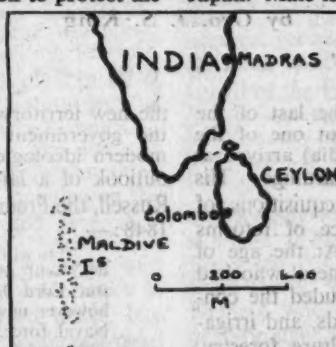
The principal industries of the islands are dried fish—chiefly maldive fish, a speciality of the Maldives largely exported to Ceylon and South India for "spicing" the curries—coir and copra. Another industry is homespun cloth for which the cotton was imported in pre-war years through Colombo from Manchester, Holland, India and Japan. Male is the trading centre. The produce is brought by boat to Male from the surrounding islands and is exported in buggalows to Colombo.

The annual value of the trade of the islands averages £500,000 and the revenue is between £30,000 and £40,000. The value of the annual exports to Ceylon, with which the Maldives have the greatest connection, is well above £200,000. To maintain the financial equilibrium of the country, luxuries are prohibited from being imported. A ban also prevails on the import of spirituous liquors and deleterious drugs. The result is that the Maldivians are a peaceful people: only two murders are known to have taken place in living memory.

The Maldives are ruled by a Sultan who is styled "King of the Thirteen Provinces and Two Thousand Isles." The Government comprise a Cabinet, a Peoples' Assembly and a Legislative Council.

The Peoples' Assembly consists of 47 elected members and the Legislative Council of 28 members, of whom seven are nominated by the Sultan, 17 elected by the Peoples' Assembly, and four elected by the four districts of Male. The President of the Legislative Council is the Prime Minister and the Vice-President is elected by the Council. Fresh elections take place once in every five years. The Prime Minister is chosen by the Peoples' Assembly, but the Cabinet is appointed by the Sultan in consultation with the Prime Minister.

Some of the laws of the State are still primitive, but these, it is expected, will be revised in time as education spreads for which active measures have been taken, and the islanders become modern-minded. No ordinary Maldivian, for instance, is supposed to wear sandals or shoes, nor can an umbrella be carried. These are the prerogatives of royalty. There are no political parties in the country. Foreigners are not allowed to acquire property most of which is owned by the State and the people are allowed to enjoy their produce at usual rentals. There is only one newspaper, and that is owned by the State and edited by a woman.



Into this primitive and picturesquè land, H.M.S. Norfolk, the flagship of the East Indies Squadron, steamed at dawn on April 23rd, 1948, and anchored in the spacious harbour of Male where part of the British East Indies Fleet took shelter during the Japanese raid on Colombo in 1942. The Norfolk conveyed a party of distinguished British officers for the ceremonial signing of the new treaty between Britain and the Maldives, including the Governor-General of Ceylon, Sir Henry Monk-Mason Moore and the British High Commissioner in Ceylon, Sir Walter Hankinson.

The treaty, which had been prepared by the Mal-

dian Home Minister, Mr. A. M. Amin Didi, and the former Chief Secretary for Ceylon, Sir Charles Collins, was signed the following day. It was a red-letter day for the Maldivians, who declared it a public holiday and decorated all buildings. The treaty provides for the recognition of the Sultan and his successors, continues to place the islands under British protection in the case of aggression and confirms Britain's undertaking to refrain from interference in the internal affairs of the islands. It also places foreign relations of the Maldives in British hands, gives Britain the right to establish bases in the islands, and abolishes the annual tribute.

PERSONALITIES AND EVENTS IN THE "48's"

by Geo. J. S. King

EXACTLY a century ago Dalhousie, the last of the "annexationist" Governor-Generals (but one of the greatest of British administrators in India) arrived at Calcutta as the successor of Viscount Hardinge. His regime was not less memorable for its acquisitions of territory than for that astonishing sequence of reforms which left a permanent mark on India. At the age of thirty-six he was the youngest Governor-General who had held the office, and his legacy to India included the construction of railway, telegraphs, bridges, roads, and irrigation works; the development of trade, agriculture, forestry, and mining; the admission of Hindus to the civil Service; the introduction of cheap postage; the encouragement of education; and measures against suttee, dacoity, female infanticide, and the slave-trade.

On the arrival of Dalhousie, the Anglo-Indian press declared its confidence that he had "arrived at a time when the last obstacle to the final pacification of India has been removed, when the only remaining army which could create alarm has been dissolved, and the peace of the country rests upon the firmest and most permanent basis." But within a few months a new phase of tragedy and anxiety began when Patrick Vans Agnew, a civil servant, and Lieutenant Anderson, of the Bombay army, were murdered at Mooltan while on a mission to instal a diwan, and there followed the punitive expedition of Lieutenant (later Sir Herbert) Edwardes, which was conducted with such energy and resource that Sir Henry Lawrence declared that "since the days of Clive no man had done as Edwardes."

In the autumn of 1848 the second Sikh War opened with British reverses, although early in the following year the battles of Chillianwalla and Gujarat, and the capture of Mooltan, ended the campaign, and prepared the way for the annexation of the Punjab. Although the policy of annexation was strongly criticised, it is but fair to the memory of Dalhousie to recall that his administration of

the new territory served as a pattern for his successors in the government of India. If it was at variance with modern ideologies there was a partial anticipation of the outlook of a later age in a letter written by Lord John Russell, the Premier, to Queen Victoria, on November 19th, 1848:—

"It will probably be necessary to send troops to India, who will then be no longer chargeable to this country. But Lord John Russell thinks it his duty to state that however unwilling he may be to diminish the Military and Naval force, it is still more essential to keep our income within our expenditure."

Dalhousie was not the only distinguished administrator to arrive in India during 1848. John Bethune reached Calcutta to begin his great work of legislative reform, two of his outstanding contributions being the removal of the exemption of Britons from the jurisdiction of the East India Company's criminal courts, and the extension to the whole of British India of Bentinck's measure relieving native converts from forfeiture of rights or property (which had hitherto applied only to Bengal). Bethune was even better remembered for the girls' school at Calcutta which was named after him.

It was in 1848, moreover, that Sir Proby Thomas Cautley returned to India as Director of Canals in the North-Western Provinces, and, with the encouragement of the new Governor-General, concentrated on the construction of the Ganges Canal, which was the supreme work of his life.

The same year, one of the most picturesque of nineteenth-century celebrities was returning from England to the East. He was the famous "Rajah" Brooke of Sarawak, whose visit to Britain had been a triumph, its *pièce de résistance* being an effusive welcome from the Queen, who had expressed her wonderment at the ease with which he controlled thousands of wild Borneans, and had been assured that Brooke found it "easier to govern

thirty thousand Malays and Dayaks than to manage a dozen of your Majesty's subjects."

Brooke was created K.C.B. in 1848, a similar honour being bestowed on that future hero of the Mutiny, Sir Henry Montgomery Lawrence, who was one of the critics of the annexation of the Punjab. It was in that year that John Chapman (to whom was due the Great Indian Peninsular Railway) began his inquiries into the subject of Indian cotton, which resulted subsequently in the publication of *The Cotton and Commerce of India*.

In October, 1848, a violent typhoon damaged a considerable amount of shipping at Hong Kong, and over a thousand people were drowned in the Canton River. Incidentally, it was in that year that Sir John Francis Davis resigned office as Governor of Hong Kong and as Chief Superintendent of British trade in China, following hostile criticism of his punitive Canton expedition.

There was an interesting and unexpected visitor in the Thames in 1848. It was a genuine Chinese junk, which had sailed across the Indian and Atlantic Oceans on her own bottom. Dickens wrote with enthusiasm of this novel invader. "Drive down to the Blackwall Railway," he wrote (in a letter to his biographer, John Forster) "and . . . you are in the Chinese Empire in no time. The tiles and chimney-pots . . . whirl away in a flying dream, and nothing is left but China. . . . As for the Chinese lounging on the deck, the most extravagant imagination would never dare to suppose them to be mariners. Imagine a ship's crew, without a profile among them, in gauze pinakes and plaited hair, wearing stiff clogs a quarter of a foot thick in the sole; and lying at night in little scented boxes, like backgammon men or chess-pieces, or mother-of-pearl counters."

The appearance of a Chinese junk in the Thames was, however, a minor sensation in comparison with the consternation which the captain and officers of *H.M.S. Daedalus* caused among scientists and sceptics when, on returning from the East Indies, they reported with calm detachment having seen in August "a sea serpent of extraordinary dimensions." Everyone was prepared to believe in the existence of the Chinese junk, even without seeing one on his own "waterstep"—but here was an unimpeachable observer logging the appearance of something that the best authorities had conclusively proved never existed! If only the captain of *H.M.S. Daedalus* could have hooked that gargantuan swimmer, towed him up the Thames, and anchored him opposite the mediaeval relic from China, to be the cynosure of London eyes!

On February 22nd, 1848, a public meeting of Indians was held at Calcutta to do honour to Charles Hay Cameron, who was a pioneer in the introduction of English education among Indians and had, moreover, assisted Macaulay in the preparation of India's penal code. It was in 1848, that the publication of the first two volumes of Macaulay's *History* caused a literary furore. Among other publications of the year were Horace Hayman

Wilson's *British India*; Archibald Billing's *On the Treatment of Asiatic Cholera*; Layard's *Nineveh and its Remains* (the result of Austen Layard's famous excavations); William Griffith's *Itinerary Notes* (a posthumous publication, the author having been Botanical Professor in the Medical College at Calcutta); and James Ferguson's paper on *The Ancient Buddhist Architecture of India* (which was given to the Royal Institute of British Architects).

It was in 1848 that the use of chloroform and ether as anaesthetics began in India, but was regarded with some misgivings by the famous James Esdaile, whose pioneer work in promoting insensibility to pain by mesmerism was warmly praised that year by Dalhousie.

That great scientist (Sir) Joseph Dalton Hooker led a botanical expedition to North India in 1848; Hugh Falconer, another eminent botanist, was appointed Superintendent of the Calcutta Botanical Garden, and Professor of Botany in the Calcutta Medical College; and Robert Fortune, yet another botanist, was entrusted with a mission to China to collect plants and seeds of the tea-shrub, on behalf of the East India Company—a reminder that it was in that year that a large sum was voted for tea cultivation in the newly-acquired Sikh territory, and that tea production began in Bengal.

Exactly two hundred years ago the British were not supreme in India, and it was in 1748 that Admiral Boscawen ("Old Dreadnought") launched an attack on Pondicherry, which failed. It was a great triumph for Dupleix who, when the Peace of Aix-la-Chapelle that year brought an uneasy truce, turned his attention to the Carnatic.

Meanwhile the great Labourdonnais, having fallen foul of Dupleix, returned to France in disgrace. In contrast with this end of a great career another was just beginning. A young writer named Clive in the East India Company's service, having exchanged the pen for the sword, greatly distinguished himself by his valour as an ensign in the attack on Pondicherry.

In 1748, Ahmad Shah, founder of the Durani dynasty in Afghanistan, and owner of the Koh-i-nur diamond, captured Lahore in an invasion of India. In that year, moreover, fell the publication of the popular *Voyage Round the World*, which commemorated the historic circumnavigation of Anson, and was especially interesting for its description of the Chinese. And it was in 1748 that Thomas Forrest entered the service of "John Company"—the beginning of a career during which he explored New Guinea, discovered Forrest Strait, and published *A Treatise on the Monsoons in East India*.

In the year 1648 Tasman, the great Dutch explorer, led an attack on the Philippines. Exactly a century earlier Francisco Xavier, the "Apostle of the Indies," founded that famous Japanese mission which lasted for a century.

London Notebook

Magic Carpet

On June 9th, the High Commissioner for India, Mr. V. K. Krishna Menon, went to London Airport to see the first Indian airliner touch ground after the inaugural Bombay-London flight of the new Air-India International service. The event was a milestone in India's overseas communications. Among the passengers was Mr. J. R. D. Tata who handed to Mr. Menon letters from Pandit Nehru. Known as the Route of the Magic Carpet, this new service is maintained by 40-passenger 4-engined Constellation airliners, to begin with once a week in each direction but soon to be operated twice weekly. Flying time eastbound is 20½ hours, westbound 24½ hours.

Indo-China Lecture

A brilliant account of her impressions of Indo-China during her recent visit there, was given by Miss Barbara Whittingham-Jones at a lecture jointly arranged by the Royal India and Pakistan Society and the Institut Français. Miss Whittingham-Jones described not only everyday life in Indo-China as it is to-day, but also gave a lucid picture of the unusual and complicated background of Viet-Nam's international position.

Fiji Education

Mr. H. Hayden, Director of Education of Fiji, is now in London on holiday. He is using part of his stay here to discuss certain new schemes in connection with the rapidly growing educational machinery of the colony. The fact that local administration is in the hands of Fijians, and the increasing popularity of co-operatives, is beginning to make greater demands on trained personnel and therefore on educational facilities. Adequate arrangements have now been made for technical and agricultural studies, and with the entry of 660 teachers into government service—which gives them greater security of employment than

missionary schools—the maldistribution of teachers has been largely corrected. Thus it is now possible to send more teachers away from the centres to the scattered Fijian schools, but the first task is still to produce sufficient teachers, which is being done at a new Teachers' Training College. There are 10,000 Europeans, 130,000 Fijians and slightly more than 130,000 Indians living in the colony. Education is not compulsory, but 93 per cent. of Fijian children attend school.

Reconstruction in the Solomons

Dr. A. G. Rutter, former Senior Medical Officer, Solomon Islands, told correspondents in London about the various reconstruction problems in the Pacific Protectorate. The old capital of Tulagi has been destroyed together with all the copra plantations and a new capital is being built from local material on Guadalcanal Island. A ten-year-plan for the gradual expansion of the medical department is now being worked out, and various other schemes, like the establishment of an education department to inspect and co-ordinate the mission schools and the extension of external communications by buying a number of small craft are under consideration. The development of native administration through the formation of village councils is also intended. All these schemes will be financed through the Colonial Welfare Development Fund.

Chinese Universities

A vivid description of University conditions in China was given to the China Society by the Rev. Stanley J. Dixon, who has just returned from a tour of that country. The speaker, who is chairman of British United Aid to China, stressed the fundamental changes which had taken place in Chinese academic life. Though the hardships of the war had led to a reduction of the general standards, Chinese Universities were now taking an ever increasing interest in national and international affairs and had already become important centres of the political and economic life of the nation. Mr. Dixon paid high tribute to the spirit and integrity of both professors and students and gave a brief survey of the remarkable research work carried out by the Universities as well as in the various institutes like the Academia Sinica.

China Society Annual Dinner

The Rt. Hon. A. V. Alexander, Minister of Defence, guest of honour at the China Society's Annual Dinner, said that the majority of the British people hardly realised, as those did who really studied the matter, what a tremendously important place China was, not only because of her history, but because of the history she was going to make. Containing nearly a quarter of the world's population, China had suffered from civil war and from having borne the burden alone for many years of ruthless attacks from one of the most vicious members of the Axis, and yet she had survived, had reorganised herself and had had the foresight to carve out a new constitution of democratic freedom. The development of modern weapons had made it more than ever important for those who thought alike to organise their defence in regions. Britain, with all her interests in the East and with her close and friendly relations with India, Pakistan, Burma and Ceylon had a very great task to get a proper basis for regional defence within the framework of the United Nations to keep and hold the peace, and if necessary fight aggression to maintain the general freedom and liberty of the democratic states. The function was presided over by the Chinese Ambassador, M. F. T. Cheng.

Indian Travel Agency

Mr. D. C. Wadhwa, well known member of the Indian community in London, has now opened a new travel agency called "Shalimar" with an eye to the increasing commercial and tourist traffic between this country and India and Pakistan. Future plans include sea cruises to eastern waters and comprehensive, conducted tours to the Indian sub-continent.

Kathakali Dancing

A demonstration of traditional gestures and miming which form the foundation of the Kathakali dancing was given by Shivarao, a Malabar temple dancer. The programme included a portion of the dance drama "The Story of King Rukmanga" for which Shivarao wore a modified form of the traditional costume and make-up, a magnificent spectacle which Londoners saw for the first time. The performance was in aid of the Indo-British Goodwill and Cultural Mission.

FROM ALL QUARTERS

Indian Power Projects

The multi-purpose river projects in India are expected to produce ten million kilowatts of power and irrigate over six million acres annually. Besides the major projects to be modelled on the T.V.A. lines which will be executed under the control of the Central Government, there are many other river valley projects which are being investigated by the various principal governments.

Preliminary explorations in connection with two of the United Provinces Government's ambitious power projects have already started. One of them envisages the construction of a dam on the River Nayar, a tributary of Ganga, and the other on the River Ram Ganga. The third important project is the Rihand Dam Scheme.

The Marora Dam on the River Nayar will stand 650 ft. high, equal to the height of the famous American Boulder Dam. It will impound 1.09 million cubic feet of water and will generate 171,000 k.w. of energy. It will also irrigate 426,000 acres of land resulting in an increase of 79,000 tons of food grains. The capital expenditure involved in this scheme is Rs.18 crores.

The most noteworthy feature of the Ram Ganga project is that the dam will be entirely rock and earthfilled. The peak production from this project will be 90,000 k.w. and the firm production 72,000 k.w. There will be five sets of turbines out of which one will always remain as a reserve. These turbines will be driven by water passing through two diversion tunnels from the dam, each over 34 ft. in diameter. The area submerged by the lake will be 26 sq. miles with a shore length of 150 miles. The total amount of earth and rock required to construct will be 1,350,000 cubic yards and further to make a subsidiary dam on a pass known as Babulmunda Pass, 2,500,000 cubic feet of earth and rock will be required. The storage capacity will be 178 million acre feet.

For irrigation purposes a pick-up weir will be made at Khizarpur to regulate the supplies into a 50-mile feeder channel known as the Ramganga-Ganga feeder which will join the Ganga a few miles above Garhmukteshwar. The additional water thus dropped into Ganga by this feeder will be picked up by the Lower Ganga Canal and will be utilised for irrigation purposes. As a fifty feet fall is available at the tailend of the feed channel, another power house capable of producing 20,000 k.w., with four turbines each generating 5,000 k.w., will be constructed there.

The new areas to be irrigated as a result of this scheme will be 333,850 acres of rabi, 77,345 acres of sugar cane and 26,220 acres of the Kharif crops. The capital cost involved in this project is Rs.2,280,000 on the dam and the feeder channel. The gross revenues expected are Rs.6,150,000 from irrigation and Rs.4,901,000 from power, making a total of over Rs.11 million. The total working expenses come to Rs.3 million resulting in a return of Rs.352,000.

Estimated to cost Rs.162.5 million, the Rihand Dam, United Provinces third project, will be the biggest in Asia. As at present planned, the dam will be 3,100 feet in length

and 280 feet in height at 896 feet above the sea level. Later, two more dams will be constructed on the river.

Malay Chinese League

The recent disturbances in Malaya have hastened up the preliminary steps leading to the formation of a Malayan Chinese League. This organisation has been suggested by Mr. Tan Cheng Lock in order to create a strong political organisation for the protection of those Chinese who have decided to make Malaya their permanent home, and to help them develop a consciousness of Malayan unity and loyalty which will draw them closer to other Malayan communities. The Malay, Indian, Ceylonese and Eurasian communities have already organised themselves into communal associations, but the Chinese have not done so up to now, firstly because they were more interested in commerce, and secondly there was a certain fear of causing misunderstanding over the Federation issue. The basic objective of the new organisation is stated to be the attainment, by peaceful means, of full self-government in Malaya, inclusive of Singapore, as an integral part of the British Commonwealth, in which all who make Malaya their permanent home and the object of their loyalty should be ensured complete equality without discrimination of race or creed. It seems that considerable goodwill has been shown by Malayan circles towards the new League idea. Indeed, Mr. Tan Cheng Lock's movement should be a good thing, as its aim is to promote national unity through goodwill and co-operation with other communities. He realises the necessity for the Malayan Chinese to demonstrate to the Malay community a greater interest in their economic welfare and their desire that the latter should prosper along with other communities. The Malayan Chinese League is expected to form, together with other communal associations, the first branch of a central National Unity Organisation which would be based on the co-operation of all communities domiciled in Malaya.

Educational Scheme for Baluchistan

The Government of Pakistan has approved an immediate five-year educational development plan for Baluchistan at the cost of Rs.1,750,000. It envisages the establishment of University College in Quetta, the opening of forty primary schools every year, the raising of middle schools to high school standard, and recommends the setting up of a Technical High School and the establishment of thirty adult educational centres.

Campaigns Against Illiteracy in Indonesia

The Government of East Indonesia has announced its plans for a mass campaign against the 90 per cent. illiteracy in its territory. It will include the broadcasting of lessons. The first was given by President Soekawati on June 4th.

The Republican Administration of Kediri, in East Java, has allocated a million and a quarter rupiah to its Education Department, for the implementation of its "all-out" literacy campaign. Kediri is very proud of its position as one of the foremost districts in this campaign.

It has already established classes for some 76,500 students. 2,550 teachers are employed, and it is planned to use part of this latest grant for the extension of training facilities for teachers.

Loan to Fiji Becomes Free Grant

As a gesture of appreciation by the United Kingdom Government of the great help given by Fiji in providing men and money for the war effort, it has been decided to write off the £2 million due from Fiji for war defence expenditure. The money was advanced in the form of an interest-free loan, and the question of repayment of part of the advances was left over for review after the war. Fiji actually supplied £1,500,000 from her own defence funds, an achievement in view of her comparatively limited resources.

Papuans at Royal Visit

A suggestion has been made that a guard of honour composed of Papuans with outstanding records of service to the Allied cause should be brought to Australia for the Royal visit next year. Australia's Prime Minister, Mr. Chifley, stated that no provision had been made for the Royal family to visit New Guinea or any of the mandated territories. He agreed that the proposal to allow some natives to take part in the ceremonies in Australia was worthy of consideration.

Hong Kong Report

Details of Hong Kong's social services and welfare activities are given in the Colony's recently published Annual Report for 1947. Besides important progress in rehabilitation of Hong Kong's public utilities, much valuable work was also carried out in the direct public relief of the homeless and destitute sections of the population. Most of the constructive welfare work was carried out by Government departments but in this they were greatly assisted by the numerous voluntary welfare organisations in the Colony. In this connection it is worth noting that during 1947 over 8 million Hong Kong dollars were spent by the Government in direct grants to those voluntary organisations.

One of the Colony's major problems is the large destitute floating population which is mostly composed of immigrants from China. To cope with the many thousands of destitute adults and children, free food centres have been set up, large amounts of clothing have been distributed, night shelters have been provided and, for the adults, repatriation at public expense is offered. Of the children, nearly 2,000 were placed in orphanages, camps and other institutions. In addition to these measures, many youth clubs have been formed in the Colony for the benefit of needy and delinquent children. There, they receive a rudimentary education and vocational training which they could not otherwise have obtained.

Two significant steps were taken by the Hong Kong Government with regard to its future policy on social welfare. Firstly, a Social Welfare Office was established as a sub-department of the Secretariat for Chinese Affairs, and secondly, a strong delegation represented Hong Kong at the South East Asia Social Welfare Conference called by the Special Commissioner in Singapore. Arrangements are being made with Hong Kong University for the

specialised training of social workers, and some Chinese students are now studying at the London School of Economics under a Colonial Development and Welfare grant. Upon the completion of their studies, these students will take up posts in the Colony's Social Welfare Department.

Last year marked substantial progress in Hong King's education programme. Shortage of school accommodation led the education authorities to adopt the expedient of housing two schools in one building. One session took place in the morning and the other in the afternoon under separate staffs and headmasters. Thus, by a slight reduction in the number of hours of tuition, it was possible to provide education for twice the number of students. The greatest advance, however, took place in primary education. Government and private schools alone catered for some 80,000 children as against 45,000 in 1946. There was also a large increase in the number of pupils at subsidized schools but exact figures are not available. Before the war only two Government schools gave instruction in Chinese. This number rose to 12 in 1947.

The standard of public health remained high during the year and mortality rates compared favourably with 1946. For 1947 the death rate per million was 10.9 as against 14.2 for 1946 and an outstanding feature of last year was the absence of any major epidemic. For the first time since 1936 no local case of cholera was reported and deaths from smallpox amounted to 129 as against 1,305 of the previous year. Tuberculosis was the greatest cause of adult mortality and is still a serious menace to the Colony. Steps were taken during the year to tackle this problem with the organisation of a tuberculosis clinic and a team of doctors and nurses. Plans were laid for the extension of this work during 1948.

Although the general cost of living is now three times as great as it was before the war, wages for workers in Government services and European-owned industries have risen in accordance, so that in spite of the post-war inflation the purchasing power of the Colony's working classes has not been seriously impaired. The nutrition standard of the Colony is higher and the medical authorities believe that the rice shortage is indirectly responsible, as the main mass of the population now eat a more varied diet. The housing situation is unsatisfactory as reconstruction work has been held up owing to shortages and delay in the delivery of steel. Reconstruction, however, continued throughout the year and housing is the biggest item on the Government's schedule of rehabilitation expenditure. Out of an estimated total of 206,487,000 dollars for reconstruction no less than 51,808,000 dollars is to be spent on building construction and repair.

Narcotic Drug Control

The U.N. Mission on Narcotic Drugs has drawn up a protocol for ratification by member governments, to bring all newly developed drugs under immediate international control. The Commission also studied a U.S. report on a Japanese factory built to produce narcotic drugs for distribution to the people of Manchuria, and recommended that the use of narcotics for the destruction

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of a group of people should be included in the proposed convention on the punishment of genocide.

F.A.O. Fears Rice Famine

Reports of the Food and Agriculture Organisation express the fear that there will not be sufficient rice available for the rest of this year to avoid a great famine in S.E. Asia and the Far East. With populous and growing areas like China, India, Indonesia and Malaya dependent on imports, the rice supply available for world trade is only 40 per cent. of prewar shipments. As a result, allocations made by the International Emergency Food Committee fall short by almost one-half of meeting the total minimum requirements of countries needing imports. Rice production has improved over the last year, especially in Burma, Siam, Egypt and China, but the dislocation and damage of war is still being felt. In addition, importing nations are finding it difficult to purchase even the amounts allocated to them because of the lack of foreign exchange and other economic difficulties.

Better Working Conditions in Hyderabad

Various measures to ensure better working conditions, pay and amenities in various factories were introduced by the Nizam's Government and consist of the Workmen's Compensation Act, the Maternity Benefit Act, the Employment of Children Regulation, the Hyderabad Factories Regulation, Trade Dispute Orders, the Hyderabad Trade Union Act and the Hyderabad Provident Fund Regulation. The Workmen's Compensation Act includes accident insurance, and under the Employment of Children Regulation, children under 12 are prohibited from being employed in the manufacture of the articles that are likely to effect their health, while children under 15 are not to be employed in any occupation connected with railway transport. The Factories Regulation provides a 48 hour week, payment for overtime and prohibits the employment of women and children at night. Provision of creches, canteens, resting sheds and health and safety measures are also embodied in the regulation. Trade Disputes Orders have provided machinery for settlement of disputes through a Board of Conciliation or an Industrial Court, and the Hyderabad Trade Union Act provides that any seven members of a Trade Union may apply for registration and any person who has attained the age of 15 may become member of a registered Trade Union.

Direct India-Kashmir Road

Direct road communication between the Indian Union and Jammu and Kashmir State will shortly be in operation, when the 65-mile metalled road from Pathankote to Jammu, now under construction, is completed at the beginning of July. It will be traversible throughout the year, and is estimated to cost up to Rs.30 million. After running straight for 36 miles it becomes winding and passes a number of bridges, causeways and culverts, the most notable being the 2,800 ft. long Ravi bridge, through beautiful scenery, mountain slopes and ravines.

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BOOKS ON THE

by Kenneth Grenville Myer

MEMOIRS OF AN AESTHÈTE by Harold Acton is more than merely autobiographical. This century more than any other has seen sudden changes, has seen the swift downward passage from the secure altitudes of the Victorian *Pax Britannica* to the unsteady see-saw of power politics between Russia and the United States. Half-way down this well-oiled slope we find that period often referred to as "The Twenties" which is a singularly apt description of that adolescent era. Probably Harold Acton has given in this remarkable book more clues to a proper understanding of that witlessly generation that the satirical writings of his friend Evelyn Waugh. It may be said that the proper study of Acton is himself from which even he could hardly play truant. The author of *Humdrum* and *The Last Medici* is evidently well-fitted to comment on the East as opposed to the West. But perhaps oppose is not really the right word, for Acton appears to be more concerned with the West as composed from the East. No more fervent admirer of China ever set foot upon her shores, no more inquisitive and disconcerting visitor ever strayed off the beaten tourist track in Japan, Korea, and Manchuria, which he visits in these pages with a noble disregard of distance and the discomforts of travelling. These he annihilates with his pen. His lectures in the Peking National University must have given him a great deal of pleasure and he who knows the East must share his amusement at the impudent suggestion that Basic English—"emasculate jargon"—would ever satisfy the brilliant students of the Universities of China and India. Strictly speaking this is not a book about the Far East, it is a book about Harold Acton, but perhaps I may pay him the compliment of saying that through him we may perhaps understand it better.

MY INDIAN YEARS by Lord Hardinge of Penshurst covers as critical a period as any in the history of British rule in India. The brief foreword by Lord Cromer recalls that he was not the first of his family to serve India, since his grandfather had been Governor-General from 1844 to 1847. His first preoccupation was to prepare India for the visit of their Majesties the King and Queen and for the great Coronation at Durbar at which it was to be announced that the capital would be transferred from Calcutta to Delhi. This step, which secured for him the implacable enmity of Curzon, was a wonderfully well-kept secret and came as an absolute surprise when the King announced it. Whether the move was justified is a matter for history to decide. There is little doubt that communications were severely taxed during the late war in order that continued personal contact should be maintained between the forward military headquarters and the political

FAR EAST

capital; what sort of a city Calcutta would have been if it had remained the political capital is a matter for conjecture—it is however certain that it would have been an even more tempting target for the Japanese. It says much for the success of Lord Hardinge that his attempted assassination aroused such widespread protests and regret. If ever a man laboured to bring peace to India, he did, that it did not achieve permanence was due to the inherent weakness of a nation without self-government. Nevertheless he laid the foundations upon which the Montagu-Chelmsford reforms were built, and these are very properly regarded as the first milestone upon the road to Indian freedom. This most interesting book of personal reminiscences, not the least of which recalls how King George V was at pains to make up to him for a snub administered by Admiral Keppel, is well illustrated and attractively produced.

THE BRITISH ACHIEVEMENT IN INDIA by H. G. Rawlinson attempts to assess this favourably and suffers from the inherent defect that India has gained her freedom too recently for judgments about the recent past to have great value. There can be little sense of objectivity. It must be clear to everyone who welcomed the new regime that the British are anxious to be thought of not too badly. "We did our best," they say, "and no one else could have done better." So, twirling a moustache and sipping a chota peg they vanish to Cheltenham which is to them forever Poona. Within these limits this is an excellent book: covering the whole span from the early seventeenth century to 15th August, 1947, and every aspect of everyday life.

A GOVERNMENT COLLEGE MISCELLANY vol. xxv, No. 1, edited by K. I. Verghese M.A. (Oxon) is an attractive collection produced by Government College, Mangalore. Far more lavish than its English counterpart, it is an excellent example of what can be done in this line.

FURTHER SOURCES OF VIJAYANAGRA HISTORY by Prof. K. A. Nilakanta and Dr. Venkataramanayya gives an account of the rulers of an empire stretching northward from Cape Comorin to, roughly, latitude 17 degs., geographically, and backwards into mythological times. This painstaking work in three volumes bases its account partly on general literature, partly on certain specified works, and partly on what has come to be known as the Mackenzie Manuscripts. This historical account of the history of India prior to the appearance of Europeans in any quantities has been sponsored by the

University of Madras and may be said to be the most authoritative work yet published on this subject.

In **TWENTIETH CENTURY EMPIRE** by H. V. Hodson, the author, who is assistant editor of *The Sunday Times*, discusses the role of the British Commonwealth of Nations in the world to-day. This most satisfactory excursion into the realm of geopolitiks points out the past failures of the central government to take a realistic view of its responsibilities and duties. Mr. Hodson pulls no punches in a book which every thoughtful student of Dominion affairs will do well to ponder over, even if he disagrees with some of the statements made. The book, it should be added, contains an excellent map.

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GOODWILL AND CULTURAL MISSION TO INDIA

The report of the work of the Indo-British Goodwill and Cultural Mission to India, Pakistan and Ceylon from September, 1947 to April, 1948, has just been published. The Mission, led by Swami Avyaktananda and consisting of four British members, spent 8 months in India. It covered eight provinces in the Indian Union, four Indian States, Eastern and Western Pakistan and Ceylon; and visited about twenty small towns, forty villages, twenty factories, twelve universities, forty colleges and sixty schools. The members spoke at about a thousand meetings, receptions and conferences arranged by universities, colleges and schools, corporations and municipalities, and religious, cultural and political societies and organisations, had interviews with Mahatma Gandhi, Pandit Nehru, Sardar Patel, Dr. Rajendra Prasad, Dr. Abul Kalam Azad, Mr. Rajagopalachari and other Indian leaders, whose simplicity of dress and living they admired, and whom they consider to be second to none in their moral and intellectual integrity and administrative ability. In Bombay, Karachi, Delhi and Allahabad, the Mission studied the refugee problems, and was impressed by the efficiency with which these problems, involving millions of people, were being handled. The report mentions visits to the various irrigation schemes and the Mission's observations on the plans for methodical industrialisation which are primarily for the removal of poverty and the raising of the living standard. All provinces are moving towards the nationalisation of land and the abolition of the land system. The Mission had opportunities of learning much about the dancing, music and other arts of India, and carried out research in the status of women.

KATHAKALI IN TRAVANCORE

by Winifred Holmes

THE polished art and technical skill of Indian dancers have enchanted many people in the West this winter. Many of their dance formulas are based on Kathakali, the dance drama of Malabar, the latest development in classical dancing in India. They use the *mudra*, the sign language of Kathakali, its mime and its vigorous movements in many of the dances they have adapted for Western audiences. But what London and the West have not yet seen is pure Kathakali—the dance-drama itself with all its strange appurtenances of heavy mask-like make-up, grotesque head-dresses and fantastic representations of a whole hierarchy of gods and demons in all their supernatural power. Would it be appreciated in Britain?

The only way this question could be answered would be to put the Kathakali dancers on a London stage and then see what would happen. I predict there would be great interest on the part of the dance-minded public. But it would be an expensive gamble which no one seems ready to try as yet. Twenty-five to thirty people would have to be brought over, dancers, musicians, make-up men, their manager, their impedimenta—enormous head-dresses, musical instruments and so forth. The most unspoilt and famous Kathakali group in Malabar to-day is the group of dancers which surrounds the Malayalam poet, Vallathol.

There, in the enlightened State of Travancore, where religious toleration is a reality and where there is a higher rate of literacy than anywhere else in the sub-continent, the ageing poet, a figure of great veneration throughout India, has surrounded himself with the finest young dancers and their teachers. Acting as a kind of Diaghilev, he has revived traditional dramas which were beginning to fall into neglect, and has inspired new ones based on traditional formulas but with new stories and new themes. Some of these he has written himself. The music and choreography he leaves to the master musicians and teacher-dancers. The result is an art of great vitality and a focal point round which the talents of students of Kathakali can gather and flourish.

What in fact is this art of Kathakali? The "Great Drama" is a local development of the older style of devotional temple dance, Bharat Natyam, whose home is the holy city of Tanjore. It also has traces of the more dynamic Kathak, the dance of the North, which owes something to Arab influence. Kathakali is medieval; it grew up somewhere in the 15th or 16th Centuries, though there are no formal dates on which to pin it down. Using both the sign language of the hands and the vigorous leg and arm movements of Bharat Natyam and Kathak, Kathakali differs from them in being more a mimed dance-play than a dance.

The themes are the epic stories of the Pandava brothers, of Rama and Sita and Ravana, of Krishna and the gopis. But these are not lyrical presentations of the great Hindu stories; they are dramas, full of action—of malevolent action by the various demons, of heroic action

by the god-heroes, of defiant action on the part of the goddess-heroines, Draupadi and Sita. The nearest parallel in Europe seems to me to be not so much the mystery play of the early Middle Ages, but rather the High Romantic chivalrous play, usually performed by puppets, of the 14th and 15th Centuries based on the stories of the heroes of chivalry, the Quatres Fils d'Aymon, of the great King Charlemagne, of the rescues of fair damsels and defeats of wicked Black Knights. These are nearer in sentiment to Kathakali than anything else in the East or elsewhere.

In Kathakali, as in this puppet theatre, there is no attempt at realism. Everything is exaggerated; the characters are hieratic, the stories are part of the heritage of the audience. Thus no self-identification can be suggested and the ordinary human values are superseded by the fabulous.

The performance takes place in the open air and lasts all night. People come for miles from villages and towns, carrying their food and bedding with them. They camp under the tall slender palms of Malabar, coconut and palmyrah, with their crowns of leaves rustling faintly overhead. As darkness falls only the light of oil butties and flares are there to illuminate the scene. Great chattering and cheerfulness prevails, but through it all one can hear the usual noises of the Indian night; frogs, whirring insects, howling jackals in the distance. . . .

The stage is a small piece of open level ground, with the broad green pennants of the banana trees for a frame. A short curtain, fastened to a piece of wood each end as if it were a scroll, is held up to hide the dancers' preparations, which are by this time, only preliminary groupings as their costume and make-up is complete.

Four hours ago the dancers submitted themselves to the make-up men, lying flat on the ground, shutting their eyes and going to sleep while their faces were covered with a paste of rice flour as a foundation on which to paint or fix pieces of false hair or coloured paper which turn their mild, boyish faces into masks of terrifying monsters or superhuman hero-gods. Some are coloured blue; others green or white. Demons are represented as very dark, and have fixed to their mouths horrific fang-like teeth, with long talons to their finger tips.

When this first process is over the dancers are roused and dressed in wide, white cotton skirts, tied in round the waist, and fixed to their heads are huge gilt haloes worn by South Indian gods. Like all Indian dancers they wear wide anklets of bells which form an integral part of the musical accompaniment to the dance as do the castanets to a Spanish dance.

Now all is ready. The musicians take their places, and prepare to play the simple instruments of the village, triangle, bells, flute, drums, with no vina or sitar to provide

the more sophisticated voices of the court. A horn note opens the performance and a hand with gilded talons appears over the top of the curtain with an angry clash of anklet-bells, quivering and shaking with demoniac energy and power, sending out its challenge to the gods.

The audience stops its chatter and even stops chewing *pai* for a moment. At last, after the tension has become almost unbearable, the curtain is removed and reveals Bhima or Ravana in all the ferocious fantasy of their extraordinary make-up, their malevolence heightened by the high lights and deep shadows cast by the flares, behind which is the thick darkness of the Indian night.

It is impossible to describe the dramas in detail. They are very long; their movements are stylised and known in advance to the audience and although grotesque and exaggerated, are perfectly balanced and timed. There is none of the lyrical beauty of Kathak or Bharat Natyam; Kathakali is a highly virile and masculine tradition and decidedly not for the squeamish. Bodies are represented as being torn open; the blood drunk and the entrails pulled

out in gleeful triumph. No women appear in the dance; the parts of Sita and Draupadi and the gopis are played, or rather danced, by boys. This is no gentle melancholy world of an Indian twilight, but the harshness of the crude and pristine world of the Aryan conquerors and their tribal myths. The audience is fascinated and critical . . . so and so took that passage differently . . . Father may lie down half-way through and go to sleep telling Son to waken him when his favourite performer appears.

The dancers, all young and trained like racehorses, dance on untiringly through the hot, still night, using vigorous leg movements, expressive arm and neck movements, but above all dancing with their eyes, the only living things in the painted masks of their faces. They dance till the frogs stop croaking and the jackal slinks away to cover; dance till the dawn appears, and with it that moment of cool grace before the day heats up.

And then, only then, does the curtain hide the dancers and the audience, yawning, packs up to go home or off to work.

THE ROPE TRICK

by R. H. Ferry

IT was very hot just off the Benares brass bazaar. A small notice scribbled on the wall at the corner of a narrow alley caught my eye: Sherbet—very cold ice.

As I sipped by pink sherbet in the cool shade of a street-side awning, the glamour of the East with all its ancient mysteries enveloped me . . . in the distance a mosque bell called the faithful to prayer, starving dogs scratched at thirsty fleas, while closely veiled women padded silently by.

It was then that someone stepped out of the deep shadow of a doorway and approached. "Dear Sir, my name is Ali," he said in English a little too perfect. There was something about Ali which held me—his red fez, his wide Oxford bags, his tall willowy figure, slender fingers and waist . . . and a gold tooth. He whispered close to my ear: "You would like Ali to teach you the Indian Rope Trick, yes or no?"

I was electrified, to know this secret had been my life's ambition. My imagination at once soared—I was giving a demonstration to the prefects and house masters at the old school—I was doing it in the market square of my little home town in the Cotswolds . . . my name was running up and down in the lights of Piccadilly . . . Ali brought me back to earth with a gentle tap on the foot. Squatting, with a long finger, he quickly made a squiggly perpendicular line in the dust, then with the dexterity of a lightning artist he drew the figure of a man climbing up it. As I watched, the figure seemed to reach the top—suddenly Ali gave a kick and the sketch vanished in a little cloud of dust. Ali was a salesman to the finger tips. . . .

It seemed that one thing alone worried Ali, he had no rope. "Won't any old rope do?" I asked. I could

see that I had shocked him. "It must be a magic rope," he replied with dignity. "Why, of course, how foolish of me."

As Ali said he knew the ropes and I had no reason to doubt him, I gave him the equivalent of £2 and he went off to buy one while I sipped more sherbet and waited.

But Ali did not return, though I haunted that alley for the next four days and became the sherbet vendor's best customer.

It was the fifth day that I saw Ali striding along and I shouted "Hi Ali—what about that rope?" Ali stopped, and looked at me blankly as if we had never met before. He knew nothing about ropes. I murmured a hasty apology and in a few words told of Ali's disappearance. The man exactly like Ali, and with a similar gold tooth, listened attentively, then spoke like Ali with the same too perfect English.

"It does not seem that you have a leg upon which to stand. In the first place you try to buy one of the most ancient secrets of the East for the miserable sum of £2 sterling. You send a man to buy a magic rope without any thought of the risk. Your honest friend Ali, it seems, tested the rope before bringing it to you and disappeared." The sun stopped glinting on the gold tooth and the man exactly like Ali leered: "In fact, I think that Ali's brother could claim very great damages from you in the courts which dispense the law."

I left the alley quickly. I had had it . . . and so had Ali.

Ah, how closely does the East guard its secrets.

THE VISION

by Herbert Chambers

THIS moment had come at last, and, as Gautama drew back the silken curtain, gently, so as not to disturb the sleeping mother and child, he prayed that his courage would not desert him. For a long moment he stood in the shadows staring down tenderly at his slumbering wife and son, and then with a great sigh, he turned and strode swiftly through the silent house and out into the brilliant Indian moonlight.

At the eastern gate Channa, his servant, awaited with the horses; their sleek ebony bodies etched sharply against a pale moon-washed wall. Gautama mounted in silence, and, without turning his head, rode swiftly away from the great house.

All through the night the two men rode side by side. They did not speak, and the only sounds were the sharp clopping of the hoofs on the rough track and the dull thudding as they passed over long stretches of soft pasture. At times, pariah dogs yelped at them as they passed through sleeping villages, and unseen eyes watched from the dark green wall of the jungle.

The rising sun had flushed the distant mountain peaks a fiery red when Gautama at last halted beside a tiny stream. Then when they had fed and watered their horses and refreshed themselves, he turned to Channa with a grave smile. "This is where we must part, my good friend and servant," he said. "You have served me well and faithfully, and from now on you shall protect and watch over your mistress. From this moment, your whole life must be dedicated to her well-being."

Channa's face was swarthy. His short, thick-set body was strong and vigorous and his dark eyes were those of a fighting man from the hills. But now those eyes held pain and distress and a great perplexity.

"Why must you do this, master?" he asked puzzled. "Does not Life offer enough with riches and servants and a beautiful wife and son? Do not your hunting and feasting and many pleasures satisfy you, that you must cast them aside and go forth into the world as a pauper?"

Gautama laid a hand on the other's shoulder.

"My life is empty, Channa," he replied. "As empty as an upturned pitcher. All these things you speak of are but meaningless pastimes that beguile a man into believing he is content. But they will pass, aye, they will pass as swiftly as the morning dew from the petal of a rose when the early sun touches it. And then, what is left?"

But still Channa did not understand. That a young man with riches and all earthly desires at his command should wish to forsake everything and go forth as a beggar, was beyond his comprehension. "But your wife and child, master?" he said. "What will become of them?"

Gautama looked up at the distant mountains now bathed in the full glory of the dawn, and his face was

that of a man fighting a great inner battle. At length he said: "There will be much weeping and mourning—and much misunderstanding. But time heals even the heart of a woman. Nor will I myself know any rest, no peace of mind until I have answered this call which has come to me. Mankind is sick," he went on. "Sick with a mortal fever. Nor can it recover until it has learned that selfishness and greed and hate must be banished for ever from the human soul. All the miseries and discontents and evils of this life are due to the insatiable selfishness of man."

Channa looked into the young handsome face, and still his eyes were troubled. "Have not the people their gods to pray to?" he asked. "Can they not offer sacrifices to Siva and Vishnu to atone for their wickedness? Is that not enough?"

The rosy flush on the distant mountains had faded now and the snow-capped peaks stood stark and brilliant against the azure sky. The tiny stream chattering over the black rocks threw a million sparkling diamonds into the clear air. "The gods cannot help," said Gautama. "Only man can help himself. Until he can conquer his own baser nature there will always be strife and discontent . . . that is what the Vision has taught me."

"And that is what you will teach the peoples, master?" "Aye, Channa, that is what I will teach."

Then Gautama removed his ornate hunting knife, his necklace of jade and the silver clasps of his tunic and handed them to his servant. "Take these with my horse back to your mistress," he said. "And now, farewell my trusted friend. No man could have served me better or more faithfully. Farewell."

And Channa with a strange dull pain in his heart, watched his master stride off up the rough mountain track.

"A man has dreams," he mused, "and he is not as other men." "Perhaps one day that dream will fade and my master will return? Aye, that must be my prayer." And turning the horses he rode dejectedly away.

In a tiny village some miles distant Gautama met a wretched looking beggar and exchanged his silken garments for the poor tattered rags. Then cutting a stout bamboo cane from a nearby clump he continued on his way, heedless of the fierce morning sun.

Dusk found him still trudging doggedly into the foothills of the distant mountains; a small lonely figure in that vast and rugged wilderness, with his Vision clear and bright as the Morning Star before him. A man who, six hundred years before the birth of Christ, set out to teach that there could be no peace nor happiness nor contentment upon earth until men forgot themselves in something greater than their own selfish longings.

Such was the vision of one whom men were to call Gautama Buddha.

FIREWALKING IN FIJI

by Edwin G. Voller

HOW would you like to run bare-footed through a pile of smouldering red-hot ashes? Impossible without suffering severe injury? Not a bit. If you are lucky enough to arrive at the right time you can see it done by the natives on one of the Fiji Islands as part of the worship of the Goddess of Fire.

This business of firewalking—commonly ridiculed by the average white—is one of the most interesting religious rites of the East, and the preparations show there is no possibility of any element of fraud.

First of all, a rectangular pit is dug nearly a foot deep. Then a pile of logs is placed inside, set alight, and kept burning for about a week, fresh logs being brought along whenever necessary. By the time the day comes for the big event the heat is so terrific it is almost unbearable at thirty feet.

The natives who are taking part in the firewalking do not come on the scene at once. Their first job is to go down to the river and ponder over their religion. Then the drums begin to beat louder, the air is filled with the noise of shouting, and suddenly the first of the natives appear, with skewers plunged through their cheeks and a wild, determined look in their eyes. The performance is about to commence.

THE WU-SING-DING

by G. FitzGerald-Lee

MOST members of English households must at some time or another have seen, or at least heard of, that peculiar kind of chinaware known as "Willow Pattern." Many will have heard various versions of the tale attached to the scene depicted, in which three men are crossing a bridge in pursuit of two runaway lovers, who have escaped and turned themselves into two doves, flying about freely above their pursuers. I am here concerned, however, more with the place itself than the legend arising from it.

In Shanghai stands a Chinese tea-house which, legend has it, is the original of the quaint little house which adorns Willow Pattern ware. Considering the architectural similarity between this building and that which is depicted on the plate, and also the fact that it was only in 1700 that Thomas Turner of Caughley copied the original blue china of Nanking and introduced it into English porcelain, it is indeed, quite probable that the Wu-Sing-Ding about which I write is the original "Willow Pattern" tea-house.

The Wu-Sing-Ding is situated in the old walled city which forms part of the southern boundary of the French concession in Shanghai. For many years it has been one of the aims of visitors to Shanghai to see this tea-house with its attractive but now rather decaying architecture, and it has become a kind of shrine which all must see when they "do" Shanghai. It lies inside the city whose wall

Slowly they walk round the pit, their pace gradually quickening. Suddenly a native darts through, followed by another and another. Then the process is repeated, most of the natives going through two or three times.

Next, children are seized and carried over the embers, for tradition has it that none can be firewalkers without first undergoing this awe-inspiring experience. Not that the children seem unduly perturbed.

And so the curtain comes up on the last act. The firewalkers disappear into the Temple of the Goddess of Fire to pay their respects, leaving the watching whites declining offers to go through the pit.

The amazing thing about all this, however, is that the fire walkers suffer no effects. Their feet are untouched by the fire. The argument, which many people put up, that the native's feet are too hard for the fire to affect them, can be dealt with by the fact that most of the natives wear shoes in the ordinary way and work in offices. So the only feasible explanation is that they are in some way hypnotised.

But why bother with explanations? The fact remains that firewalking is part of the mysterious East, and as such is beyond the average Westerner's understanding.

at one time protected thirty thousand houses and their inhabitants, in and on which wall were nearly four thousand loopholes and twenty towers for defensive purposes. It is only thirty-five years now since this wonderful piece of work was dismantled and the moat which surrounded it filled in. Where the moat once was now runs the broad thoroughfare known as the Boulevard des Deux Républiques, dividing the Chinese city from the French concession.

The Wu-Sing-Ding stands with a building known as the City Temple and with some smaller shrines and two typically Chinese gardens known as the East and West Gardens. Connected with them is an entertaining story which may be legend. It is that they were constructed by a most ambitious Mandarin in the middle of the sixteenth century. He was wealthy, not unusual where Mandarins were concerned, and jealous of the splendour and architecture of the magnificent buildings in Peking which formed the residences of the Emperor. He wished for something that could vie with the wonder of those northern palaces, hence the construction of what is now the Wu-Sing-Ding. But news of his scheme reached the Imperial Palace and there was instant expression of disapproval, so outspoken that the Mandarin hastened to change his plans and even himself. He became a philanthropist, which it is said is a most unusual thing among mandarins, by making over

his palace to the city of Shanghai, so that it might be used as a temple, a tea-house and public gardens.

These gardens are still filled with quaint rockwork, curiously shaped gateways and doors along their winding paths, and upon the wall the inevitable Chinese dragon without which no Chinese decorative scheme is complete. The tea-house itself is decaying. It stands upon stone pillars in the middle of a pool and used to be approached by a wonderful zig-zag bridge which is an integral part of the Willow Pattern design. Unfortunately this bridge is not there now, having been replaced by a concrete and stone construction which, by comparison, is far from being attractive. The old bridge which was so crooked is said to have been built on those lines because of the Chinese belief that while evil spirits can negotiate a straight path they could not find their way around corners. The whole

area is a wonderful hunting ground for the artist and photographer in search of Chinese studies.

Round about are other tea-houses, and every day the open ground around the pool in which stands the Wu-Sing-Ding is full of fascinating native characters: dentists practising in the open air, doctors with their bottled and herbal cures, toy sellers, cooks and jugglers; all busy and filling the air with their many cries. It is a great pity that the bridge when it fell into decay was not repaired and restored, but it is easy to imagine it as it used to wander across the moat to the entrance of what is still a very delightful specimen of the artistic architecture for which the Chinese will always remain famous. It is only hoped that the building itself will not be allowed to go the way of the old bridge, for the Wu-Sing-Ding is not "just another tea-house" but a symbol of Chinese art, thought and beauty.

FROM EAST TO WEST IN 52 HOURS

by Muriel Weerakoon (Ceylon)

A SPEEDY decision to visit London, and I found myself one Sunday morning on a Lancaster plane taking off from Katunayake Airport, 26 miles away from Colombo. I had hardly settled myself in my seat, when we skimmed through the air. Over Ceylon's green fields and coconut palms, over the Indian Ocean to Bombay, which was reached at noon—four hours from Colombo. The Bombay airport has an interesting restaurant and lounge. I saw there Indians of all communities—light-complexioned Parsees, olive-skinned North Indians and sun-tanned South Indians. Their garb too, differed. There was the Hindu in his turban, the Moslem in his fez cap, the North Indian lady in her long trousers and ankle-length coat, and the South Indian in her graceful saree. It was a very colourful scene and the air was filled with the many languages of India, Americanisms, and of course the universal English.

From Bombay to Karachi it took us just three hours and there was the longest halt—from 4 p.m. to 1.30 p.m. of the next day. There is an excellent Rest House run by the B.O.A.C. with spacious lounges, a cocktail bar and comfortable bedrooms.

Next morning I went by taxi into Karachi ten miles from the air port, and held my breath in wonder at the beauty of the Kashmiri embroideries in the shops, the soft wool dressing gowns and scarves and the most marvellous carpets in the world of which Karachi seems to be the storehouse. I saw some of real silk pile, so sinuous to the touch, and so picturesque in their exquisite, cleverly blended colourings. Some of them depict Indian or Persian stories, others are worked on a linen-backed canvas in flower designs so realistic that one stopped to pick them. Then there are little carpets which are prayer rugs where the design is very beautiful but dissimilar at either end. What an inspiration to prayer and beautiful thought!

From Karachi the plane flew over the Persian Gulf to Lydda in Palestine. Lydda seemed to me a meeting place of all the nations in the world. There were Arabs, Turks, many European races, Indian and Chinese. It was the same in Tripolitania, at Castel Benito, the next stop which

is reached at 4 a.m. the next day. Now flying at an altitude of 9,000 feet over a sea of billowy cloud that looked like prodigal handfuls of stiffly-beaten meringue carelessly flung, I saw the glory and the grandeur of the sunrise. For the briefest moment on its journey, the sun stayed to touch the white clouds, to transform them to palest rose-red, then coppery gold.

Then across the Mediterranean to Marseilles. On the hill-sides of France there were wisps of snow glinting in the sunshine, and I loved the patchwork quilt in squares of rust-red and green that France spread at one's feet. Then over Orleans, le Havre and across the English Channel. And finally, at 11.30 a.m. on Tuesday—London. I had arrived in that moving pageant of life, "of all sorts and conditions, with each place and person a microcosm in the macrocosm."

LETTERS TO THE EDITOR

KASHMIR

Sir.—In the article on Kashmir published in your January issue, the writer has mixed sentiment with statistics. It is not only misleading but paints Kashmir with coloured brushes.

He admits that Kashmir has an 80 per cent. Muslim population, but he is wrong when he says that the State of Jammu is "predominantly Hindu." Apart from the Kashmir Province where Muslims form 93.45 per cent. of the population, the Jammu Province, according to the latest census report (Jammu and Kashmir, Volume XXII, 1943), has 61.35 per cent. Muslims as against 38.55 per cent. non-Muslims.

The assertion that "most of the Kashmiri Muslims are relatively recent converts from Hinduism" is contrary to facts. In reality, during the last 100 years of Hindu Dogra rule conversion to Islam was discouraged so much that if a Hindu embraced this religion he forfeited all inherited property. Moreover, many other restrictions were imposed upon Muslims. Killing a cow, for instance, was a cognisable offence punishable with 7 years' imprisonment. A special tax was levied on the slaughter of

goats and sheep, which are sacrificed by Muslims over a year in commemoration of Abraham's sacrifice of his son to the Lord. Many Muslim places of worship were usurped by the State and restored only after the Glancy Commission Enquiry in 1931 into the affairs of Kashmir. Under these circumstances it can be well imagined how many Hindus would have liked to leave their privileged position by accepting Islam.

The statement that the present conflict in Kashmir has been brought about by armed raiders from the Frontier only belittles the love of liberty and the patriotism of the Kashmiri people who, no longer able to bear the tyrannical rule of the Maharajah, rose against him and his forces of oppression. Besides, it should not be forgotten that the people of the Frontier dwell in adjoining territory and if some of them have come to the help of their oppressed brethren of Kashmir they have done so as the Kashmiris profess the same religion, culture and sentiments.

Yours, etc.,
S. SAIDUDDIN.

HINDU WIFE

Sir.—I read with interest the article on "Hindu Wife" in your April issue. It seems to me that no account of a Hindu wife is complete without a reference to two things which are dearer to her heart: the first is the red round mark in the forehead and the second, bangles on both the hands.

These two things are symbols of "good luck" (*Saubhagya*) in her life. She put on these marks right from virginity and protects them so long as her husband is alive. She will consider it to be an ill-omen in case these marks are disturbed through sheer accident. The red round mark is the surest sign that her husband is alive or that she is a prospective bride; on the other hand, a widow has to discard these adornments. It is, however, interesting to note that an educated widow objects to this custom on the ground that her husband did not make any provision to that effect in his will!

Yours, etc.
H. G. PANDYA, M.A.

COMMUNISTS IN MALAYA

Sir.—In your editorial for May you refer to "Cockpit Patani" and the fighting there and declare "the Chinese-dominated Malayan Communist Party is the mainspring behind the irregular guerrilla bands still roving the Malayan hills . . ." I was surprised to see this kind of story still being given currency and wonder whether there is any more foundation for it to-day than there was when I heard it going the rounds more than once during my stay which extended throughout the greater part of 1946. Parallel to these stories were others to the effect that this, that, or the other strike was the work of "agitators." I took some notice of what was going on in Malaya whilst I was there and have followed happenings out there since. Despite all the talk, this "Communist" and "agitator" stuff appeared to be no better than so much bogey-bogy with little substance to support it. On the other hand, the conditions of the people and the treatment they received from us in the period of distress following the occupation were such as to account adequately for any agitation on their part without the aid of any demagogue. In other

words, it is the conditions which make the Communists and not the other way round. To ignore this and persist in preaching and acting on the opposite assumption without very good documented evidence is, to my mind, a dangerous and irresponsible attitude. Furthermore, even if Communists were found to be as influential as asserted, it might be pertinent to enquire what are the conditions which make them so successful and so try to get down to first causes.

Yours faithfully,

Wolverhampton.

A. E. SCARR

N.W.F. TRIBESMEN

Dear Sir.—I wish to make a few comments on the article the "Kashmir Deadlock," by Major General J. R. Hartwell, C.B., D.S.O., published in your March issue. It presents a picture as seen by a British officer who loved his frontier skirmishes—life being so dull otherwise—and dubbed the poor tribesman as the rogue responsible even if he lost a tie pin which was probably left at the Club swimming pool or tactfully removed by the bearer for his daughter.

I would like to mention a few points which will enable your readers to understand the rather complex actions of the tribesmen in the past.

The general basic characteristics of most of the tribesmen of the north-west frontier are the same; suspicious, clever, alert, treacherous (sometimes under forced circumstances). Good and lasting friends once the thick core of distrust has been penetrated, very religious in the sense that they pray and fast regularly and respect every word of the Mullah who tells them that all he says is in the Quran and therefore infallible. They are brought up in an atmosphere of suspicion and distrust so much so that they do not even trust their own flesh and blood, thinking of them as bloodsuckers awaiting an opportunity to annex their piece of property. There are, however, great traits in his character which are good; for instance, the bloodiest of blood feuds are relinquished when "Quran" becomes the arbitrator and it is very gratifying to see that the Pakistan Government is exploiting these traits to the full.

In the past the hue and cry for a holy war raised by the ambitious, wily fanatic Mullahs was against the Ferenghi Infidels. This cannot serve as a bait any longer because of the British withdrawal. The Pirs (revered religious leaders of almost all tribesmen) are usually the "lambs from the lowlands," to use General Hartwell's phrase. The Pir of Manki Sharif is a good example. Nowadays they are all much involved in politics, fortunately quite alert and on the side of Pakistan. Consequently any excursions by the tribesmen against the lambs of the lowlands will be condemned as war against Islam by their own Pirs which to them means eternal damnation. It is known that for lesser actions the tribesmen have come with sackcloth and ashes to their Pirs begging forgiveness.

I have lived in the Frontier Province for 18 years and have never as yet heard of any major looting wilfully carried out by the tribesmen without outside intrigue and help. The 1930 Afridi attack on Peshawar instigated by the lambs in the Congress, the Mohmand show in 1935 again instigated by a Mullah and some other elements are a few instances.

There are, of course, excursions and murders in the settled districts but, and I hope the General would agree with me, these are not the works of tribesmen but the foul deeds of murderers outlawed from the settled districts. The odd tribesman is involved but the party can hardly be called "Looting Tribesmen."

The back of the Fakir of Ipi's resistance was broken when orders were issued by the Pakistan Government granting to the fakir free access to any part of Pakistan and the withdrawal of troops from forward positions in Waziristan. Wana and Razmak were evacuated by the middle of December, 1947, without a single incident, and yet two months earlier bloody battles had been fought on both the Razmak-Bannu and Wana-Manzai roads, and going without protection on these roads was unthinkable.

The difference wrought for the good in tribal territory and the change of heart of the tribesmen brought about by the achievement of Pakistan has to be seen to be believed. I do agree with General Hartwell that Kashmir has provided the tribesmen with a means of expending their pent up force over the years. It has also sounded a warning that (i) Pakistan does not lack a strong backbone and (ii) that the traditional prestige of the tribesmen as one of the best guerrilla fighters was not a mere British invention.

As I have already stated the change of heart of the tribesmen is so considerable that Pakistan can with confidence settle tribal affairs at any time without resorting to the force of arms.

Your obedient servant,
London. JAHAN ZEB KHAN.

INDO-CHINA OR VIET-NAM

Sir,—I have only just seen the article entitled "Indo-China or Viet-Nam" in your May issue. Such an article is surprising, in a review like *Eastern World*, whose contributors, whatever their views may be, are expected to have a minimum regard for facts.

To begin with, Mrs. Whittingham-Jones' article contains some gross errors in chronology. She says: "In the March, 1946, Agreement with Ho Chi Minh's Viet-Nam Republic, . . . France promised to hold a referendum in Cochin-China. . . . Because of French insistence that the cessation of fighting in Tonkin must precede the referendum, the latter has never taken place." In point of fact, fighting did not start in Tonkin until as late as November 19th, 1946, when a clash between French and Vietnamese troops set off a full-scale war throughout all of Viet-Nam. Between March, 1946, and November of the same year, there reigned a state of comparative tranquillity in the whole country which could have been turned to account by the French authorities to organise the promised referendum: the then High Commissioner, Admiral d'Argenlieu, created on June 1st, 1946, the "Republic of Cochin-China" instead. It was precisely this violation of the March Agreement which brought about the rupture of negotiations between Viet-Nam and France at Fontainebleau, and the present conflict.

Further, Mrs. Whittingham-Jones writes: "It was under Chinese auspices that Ho Chi Minh was able to seize Hanoi when Japan collapsed, and to instal himself . . ." Any document would show that Ho Chi Minh was in

Hanoi as early as August, 1945, probably even before that date, whereas the Chinese occupation forces did not arrive there until the beginning of October, after the British forces under General Gracey occupied Saigon in September. Ellen J. Hammer (in *The Emergence of Viet-Nam*, published by the Institute of Pacific Relations, New York, 1947) has commented that "the French, for their part, deplored the interregnum between the Japanese collapse and the arrival of Allied troops, and blamed their difficulties on these weeks when no Allied authority was present to 'maintain order' and to prevent Japanese equipment from falling into Vietnamese hands."

The assertion that "in 1941 a coalition of anti-French Vietnamese nationalist parties was formed by the Chinese Governor of Kwangsi as the 'Front Viet-Minh' with Ho Chi Minh's communists (italics mine) as its most active elements" is not only a contradiction in terms, it is a historical inaccuracy—and an insult. It is indeed tantamount to saying that the idea of resisting Germany in 1940 was not General de Gaulle's, or that of any courageous Frenchman or woman, but merely the result of British initiative, or an American plot.

If, on the other hand, the Chinese were then bent on annexing Indo-China, "making Tonkin once again a province of China in all but name," as Mrs. Whittingham-Jones writes, why should they have encouraged Viet-Nam nationalism at their own expense? This was at a time when the French had no foothold in the country and could have been evicted without the assistance of any nationalist forces.

In her conclusion, Mrs. Whittingham-Jones touchingly shows her concern for the 17 million Vietnamese, and wonders "how long they could maintain their independence against China's 400 million. . . ." If she would only take the trouble of reading Viet-Nam's history, she would, perhaps, learn how this small, enterprising, tenacious people achieved their independence from China (a China incalculably more powerful than the "sick man" of to-day) and had managed to remain free ever since—apart from a very short eclipse of sovereignty in the sixteenth century—until they were defeated by the technique of Western "civilisation" in the later half of the nineteenth century. Present happenings are showing clearly enough that the dynamism of the Vietnamese has not lost any of its force or elan.

Space prevents me from even referring to the fantastic "beliefs" of Mrs. Whittingham-Jones in the existence of a secret pact between the Siamese and the Viet-Nam Resistance over the fate of Laos and Cambodia. That "probability" she bases on "the restriction of Vietnamese claims to the three 'Ky,' which implies the renunciation of any desire to incorporate the non-Annamite countries of Laos and Cambodia." But the Vietnamese have never renounced anything by not claiming what has never been part of themselves: is this not common sense? And would Viet-Nam light-heartedly consent to the "cession" of Laos and Cambodia to Siam, for the sheer delight of watching her next-door neighbour and former rival augment her territory at the expense of her frail, newly-reconquered liberty?

Yours faithfully,
N. VAN NHAN,
Editor, *Viet-Nam Information*.
London, S.W.4.

ECONOMIC SECTION

China and the Bondholders

by Sir John Pratt, K.B.E., C.M.G.

I HAVE recently had the privilege of reading in manuscript a very interesting book dealing with China's commercial relations with the West during the half century just preceding the first Anglo-Chinese War. This was the period of the Canton Factories and the Hong Merchants, when the East India Company had a monopoly of the China trade and appointed a Select Committee of Supercargoes to manage the Company's affairs in China and to control the "Private English" who were allowed to live there by the licence of the Company. The most important of the Private English were the partners in the great firm of Jardine Matheson and Co., who are still the leading British firm engaged in the China trade. The book is based mainly on a study of the archives of this firm which were recently discovered in a godown in Hong Kong and are now safely deposited in the Library of Cambridge University. The author has also drawn upon other contemporary records, such as books written by merchants who had lived in Canton and the official reports of, and evidence given before, Select Committees of the House of Commons, and in all this mass of material he has found an almost universal consensus of opinion regarding the reputation for honesty and commercial integrity borne by the Hong Merchants who were charged with the conduct of the foreign trade. Written contracts were unknown and business could be conducted with greater ease and facility in Canton than anywhere in the world. This is no new discovery but it is useful to have a scholar's confirmation of it. The commercial probity of the Chinese was a source of wonder and admiration to travellers and merchants in mediaeval and in ancient times and is still to-day one of their most attractive characteristics. Their splendid reputation may indeed have been in part the cause of their undoing. Some thirty years ago there was a scramble to make loans to China. Some of them were of an improvident character and soon afterwards China was plunged into civil wars and became a victim of foreign aggression. The loans, good and bad alike, fell into prolonged default, but through all her troubles there was never any real doubt that China would recover and in the fulness of time deal justly with her creditors.

In the days of the Canton Factories all authorities agree that the relations between the Hong Merchants and the

British were those of friendship, of mutual confidence and of trust in each other's honour, and this tradition still flourishes at the present time. When China fell on evil days the British were not slow to hold out a helping hand. In 1936, when the currency reform was having its effect and it seemed as if the tide had turned and that China was in a fair way to recover from her difficulties, the British came forward to do what they could to assist recovery by writing down the debts that had piled up during the long years of default. The bondholders of the Canton-Kowloon Railway, for example, agreed that future interest should be halved for twenty years, cancelled four-fifths of the interest in arrears and accepted non-interest bearing script for the balance. There was a similar drastic scaling down of the debts of other railways, such as the Canton-Hankow and the Tientsin-Pukow, which had been built with money borrowed from British investors. Unhappily the hopes of recovery were doomed to disappointment. Japan resumed aggression a year later and all railway loans fell into default again.

In August, 1947, an assurance was given, under the authority of the Executive Yuan, that pre-war loans would be serviced when conditions permit. No one doubts that the Chinese intend fully to maintain the reputation for honourable dealing that has come down through the centuries, but it would be a great misfortune if, through what may be called inadvertence, they allow themselves to be betrayed into action which could only be regarded as a breach of faith.

Let us consider the case of the Canton-Kowloon Railway. This railway is in the fortunate position of earning substantial revenues. It is divided into two



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sections—a British section which runs to the border of the Leased Territory and a Chinese section which runs from that point to Canton. Practically all the traffic is through traffic at least as far as Canton. The fares and freight in respect of through traffic are paid, in Hong Kong dollars, in Kowloon and are subsequently apportioned between the two sections of the line. During 1947, the sum handed over to the Chinese section in respect of its share of these through traffic receipts amounted to no less than H.K.\$6,405,030. The amount required for the service of the loan, under the scaling down arrangement of 1936, is no more than some H.K.\$800,000 a year. Nevertheless the loan remains in default and the bondholders are still waiting for the interest due to them.

Representations to the appropriate Departments of the Chinese Government have elicited the reply that a comprehensive plan for dealing with all railway loans is being prepared and that in the meantime it is not proposed to resume service of particular loans piecemeal. Super-

ficially this wears such a specious air of reasonableness that it may not be generally appreciated that refusal to meet the obligations of a prosperous railway because other railways are less prosperous is, in fact, flagrant dishonesty. The revenues of the Canton-Kowloon Railway are pledged to the bondholders who lent the money that enabled the railway to be built. The surplus revenue, after payment of the interest on the loan, may be used to help less prosperous railways, but to divert any part of the revenue for any purpose whatever while the bondholders remain unpaid would be an act of bad faith from which the credit of the Chinese Government would not easily recover.

It is difficult to believe that the responsible officials of the Chinese Government have realised the full implications of the excuse that the bondholders of the Canton-Kowloon Railway must wait until a comprehensive plan has been prepared; or that having realised them, they will persist in an attitude so damaging to the high reputation China has hitherto enjoyed.

COTTON TANGLE

by H. C. K. Wodd

THE cotton weavers of Lancashire and Japan may be as nimble-fingered as ever, but little do they know that the neat and beautiful patterns they weave are resulting in a huge, complex, ugly tangle.

The tangle is a triangle—Britain, the United States and Japan. But this is no usual triangle story. There are spinning-wheels within wheels. There are cross-threads and tangled skeins. There are, in defiance of orthodox geometry, more than three sides to this triangle.

Our prosperity as a nation, our whole historical development, has always been closely related to our textile industry. When, in the fifteenth century, we passed from being producers of wool to manufacturers of cloth, we embarked on a course which was to determine the speed and direction of our development and was to bring us, before long, to the fore as the leading nation in Europe. In the seventeenth and eighteenth centuries it was the development of our cotton industry which helped to establish our position as the world's first trader. And to-day it is again to our textile industry that the Government looks for much of the effort necessary to solve our economic problems, an effort which is made all the more difficult through the technical backwardness of our textile industry, which the present export of most of our new textile machinery will prolong.

But it is not the problems of production which are causing the cotton tangle to-day. It is the problem of selling, of markets, of exports. Even before the second world war, the problem of selling had become acute for Britain. A new world rival had arisen in the textile world—Japan. Her cotton, silk, and woollen goods, produced on the basis of cheap labour, intense production and relatively modern technique, rapidly pushed their eager way into Britain's traditional markets—in the Far East, India, the Near East, Turkey, Latin America. Before long, Japan had driven Britain from her long-held position as the biggest textile exporter in the world.

The atom bomb that dropped on Hiroshima did not only result in thousands of dead. It apparently killed also Britain's No. 1 textile export rival. Apparently is the operative word. For on March 23rd this year the Chairman of the Bradford Dyers' Association, Ltd., uttered this warning at the General Meeting of the Association:

"It is . . . disturbing to observe the rapidity with which the export of Japanese cotton textiles has increased during 1947, and to learn that these exports are equal to three-quarters of Lancashire's trade last year. It is true that Japanese export figures are high because her own home market is being starved of cottons. But it is also true that this production flows from a spindleage which is not yet equal to one third of her pre-war capacity. It has, in fact, been calculated that by the end of this year an export output of the order of eight hundred million yards may be obtained."

So once again Japanese cotton goods are coming into the picture. But this time with a difference. This time with American aid, American technical advice, American capital, and, because Japan is dependent on imports of raw materials, with American cotton. Only one thing remains the same—the conditions of work and the price of labour.

There are four reasons why the United States is assisting the rapid recovery of Japanese textiles. Some of these reasons are openly stated by American statesmen and journalists. As for others, one can only surmise and draw some fairly obvious conclusions.

Reason No. 1 is dictated by the interests of the cotton growers in the Southern States of the U.S.A. Before the war much of Japan's imports of raw cotton came from India. To-day it is U.S. cotton which is the foundation of Japanese textile recovery. As far back as November, 1945, a few short months after the ending of the war, Col. Kramer, Chief of the Economic and Scientific Section at Gen. MacArthur's H.Q. argued:

"Our victory would be doubtful if the attempt to reduce the Japanese war potential ruined the Southern cotton growers by taking away their best market."

To achieve their 1948 targets, the Economic Stabilisation Board in Japan will need to import one million bales of raw cotton. The extent to which American cotton growers intend to monopolise that trade can be shown by two facts. *Reuter's Trade Service* (Textile Section), reported from New York on February 8th this year, that Southern Congressmen are working on plans for sending 750,000 bales of cotton to Japan this year. On the other hand, Mr. Tulsilas Kilachand, who headed an Indian mission to Tokyo last autumn, complained that General MacArthur's Headquarters were aiding and abetting American interests in cornering the Japanese cotton market. Mr. Kilachand said: "These interests wish to restrict the importation of Indian cotton to Japan to benefit American cotton." And he went on to state that the Indian mission had been prepared to sell 394,000 bales of raw cotton immediately, but was only able to sell 170,000 bales at a "most unsatisfactory price." Here, in this rivalry between Indian and American cotton growers, lies one of the cross-threads, one of the additional sides of the triangle.

The second main reason why America is assisting in building up Japanese textiles is that she hopes to share in the profits that the revived trade will bring. These hopes were voiced by R. C. Kramer (formerly Col. Kramer, see above), in an article in *Fortune*, June, 1947, when he wrote:

"Substantial American investment in Japanese industry could have many advantages. The East consumes large quantities of goods of lower standard than we manufacture for United States consumption. If American manufacturers were willing to make use of Japanese resources, they would be in a position to share in a market that would probably not be open to them otherwise."

Third reason is a politico-economic one which has been forcibly stated by American officials on numerous occasions in the past few months—namely, to rebuild a strong Japan as "the workshop of Asia" and as a "bulwark against Russia."

The fourth reason is not directly stated, though off-the-record remarks and activities in practice frequently give more than a hint. It is quite simply to complete the job that Japan had begun before World War No. 2—to weaken the dominant world position of British textile exports.

The statistical outcome of all this is that in 1947 Japan produced 660 million square yards of cotton cloth (compared with Britain's 1,800 million); and the plans for this year, (when it is hoped that four million Japanese spindles will be in operation), are 955 million square yards.

So much for what is happening and why it is being done. Now for the tangled result—which looks more like an octagonal than a triangle.

First aspect of the tangle is that whilst the American Government is anxious to secure British support for its policy in Japan, the steps it is taking to rebuild Japanese cotton textiles are coming into conflict with British textile interests. We have already had occasion to mention the alarm expressed by the Chairman of the Bradford Dyers' Association, Ltd. But his is no lone voice. As far back as October, 1946, on the occasion of the President of the Board of Trade's statement in the House concerning the revival of Japanese industry, considerable concern was expressed among Members representing Lancashire con-

stituencies. Similar fears have been increasingly expressed since. In the Foreign Affairs debate in the House in January this year, Mr. Teeling desperately asked: "Is there any policy that might save Yorkshire and Lancashire?" On April 3rd, *The Economist* stressed again the threat to British textile interests in these words: "For Lancashire a full revival of the Japanese cotton industry means still fiercer competition for the markets of Asia, Africa and Oceania, and it threatens the hope of selling more British exports to the West."

This problem has also been spotlighted in the United States, where Mr. Robert Gregory, well-known American textile manufacturer, accused Britain of trying to divert Japanese cotton goods away from their natural markets in order to keep her position on the Far Eastern market. "The whole thing becomes frightfully involved," he said, "because the British are trying to force the Japanese product entirely on us for dollars as long as we give them cotton. Basically, of course, Britain wants to keep the Oriental market and doesn't want to have to face Japanese competition."

Second aspect of the tangle is India. Indian cotton growers, as we have already noticed, are dissatisfied with the restrictions placed on their exports of raw cotton to Japan. But on the other hand her cotton cloth exports are expanding. India has changed from a net importer of cotton textiles to a net exporter. In Australia, New Zealand, East and West Africa she has picked up a substantial portion of Japan's former trade. These Indian textiles may conflict with British. They will certainly come up against a revived Japan.

Tangle number three is Canada. Japanese textiles are now re-appearing in Canada. The process by which these arrive has been described recently by the Primary Textiles Institute of Toronto as "something history never before encountered." It appears that while American dollars for the purchase of American textiles are rationed under the quota restrictions, unlimited quantities of dollars are available from the Canadian Foreign Exchange Control Board to importers desirous of purchasing Japanese textiles. So British textile exporters will now face Japanese competition in Canada, too.

Tangle number four is Australia. The *Times* Canberra correspondent reported in April 1st this year that "Australian opinion is obdurately opposed to any measures which will enable Japan to resume the role of an aggressor or to become an exporter of cheap textiles in such volume as to menace the markets for British textiles." But at the moment considerable quantities of Japanese cotton textiles are going to Australia. In fact, in some recent months the figures released by the U.S. Commercial Company, which handles Japan's cotton textile exports, show that Australia is a leading importer of Japanese cotton textiles.

Tangle number five is Brazil, Mexico, Poland and several other countries which are exporting more cotton textiles than pre-war, while tangle number six is the number of countries which are producing more textiles for home consumption than pre-war, and whose imports are, therefore, less.

But the biggest tangle of all is the United States. Her average annual production of cotton textiles in 1936-8 was 8,350 million square yards. In 1947 it reached 10,800

million square yards, about 37 per cent. of the world's total compared with about 25 per cent. in the years 1936-8. Her export development, however, is even more striking. In the years 1936-8 United States exports of cotton textiles averaged 252 million square yards a year—or about 4 per cent. of the world total. In 1947 it had soared to the fantastic figure of 1,500 million square yards—an increase of about 600 per cent. in volume! More significant still, its proportion of the total world cotton textile exports for 1947 was about 40 per cent. an increase of 1,000 per cent.

On the surface it might look as though American cotton textile exporters were sitting pretty. But they are not. They, too, are worried about the revival of the Japanese textile industry, for which, ironically enough, the American Government itself is responsible. It is not for nothing that the Chairman of the Bradford Dyers' Association, Ltd., in the speech already referred to, warned that:

"The U.S.A. textile industrialist, if he intends to continue to participate in the export trade, must share our fears of the disruptive effect upon the markets of the world of a reversion by Japan to the policy which that country pursued during the inter-war years . . . I believe that the U.S.A. textile exporter will share with us a realisation that there must be correlation between Japanese textile policy and that of the other textile producing countries."

No wonder that *The Economist* recently forecast that American mill men will probably "have plenty to worry about" since, with so many markets closed, "the United States is the obvious target for the export drives of the East as well as of the West." This is well understood in the United States. In fact, the American Cotton Manufacturers' Association launched an all-out fight last

December against the importation of Japanese cotton textiles for sale in the United States. When the American Textile Commission returned to America from its survey of the Japanese textile industry, Dr. William P. Jacobs, President of the American Cotton Manufacturers' Association, who headed the mission, revealed that the primary problem, as far as they were concerned, was how to direct Japanese textile exports away from dollar countries to sterling countries, mainly in the Orient. Meanwhile British textile exporters are accused of trying to divert Japanese textile exports away from their Oriental markets to dollar countries.

It can readily be seen how complicated has become this cotton tangle. And as if it were not tangled enough, it is happening when the world's cotton trade is shrinking. In 1947 world cotton textiles production had recovered to about 85 per cent. of pre-war volume (Britain had recovered only to about 51 per cent.); but foreign trade in 1947 was no higher than 57 per cent. Moreover, pre-war exports of cotton textiles were about 20 per cent. of total production; in 1947 the figure had dropped to 11 per cent. In spite of the fact that there is still an acute shortage of clothing in many countries, fears are already being expressed in textile circles that the sellers' market is ending. These fears are apparently shared by the Cotton Board which estimates that even by 1950 "the volume of international trade in cotton goods is unlikely to be much above its present level." Any substantial increase, therefore, in cotton textiles production will only intensify the fight for the already restricted market, and bring further complications into the tangle.

CZECHOSLOVAK TRADE WITH INDIA

by John Alexander

ACZECHOSLOVAK Trade Delegation has just left for India to discuss the possibilities of a trade agreement. What are the prospects?

In the past the ability of the Indian market to absorb imports from abroad has been limited by her lack of industrialisation and the poverty of the great mass of her people. The *per capita* figure of imports and exports amounted to only 6s. 7d. per head as compared with about £20 in Great Britain.

The new Dominion of India has, however, drawn up an ambitious programme of industrial development which has, as one of its objects, the raising of the purchasing power of the population; consequently a new perspective is opened for its international trade.

Before the war Czechoslovakia did not play a major role in the Indian market. Her main exports have been machinery and glass and glassware. Of machinery the principal items supplied in 1938-9 were boilers—2.31 per cent. of India's imports being supplied by Czechoslovakia, while 87.14 per cent. came from Britain and 14.48 per cent. from the U.S.A. In the field of pumping machinery Czechoslovakia supplied 1.78 per cent. of the total, while the U.K. provided 64.13 per cent. and the U.S.A. 14.02

per cent. 1.78 per cent. of the total of India's cotton textile machinery came from Czechoslovakia as against 73.63 per cent. from the U.K. and 1 per cent. from America. In glass and glassware, however, the Czechs provided 14 per cent. the main rival in this field being Japan who supplied 49 per cent. of India's total needs. An interesting factor in the years immediately preceding the war was the increasing supply by continental countries—particularly Germany and Czechoslovakia of machinery, especially textile machinery at cut rates. Britain's share of machinery imports declined from 90 per cent. in 1914-19 to 59 per cent. in 1938-9.

To-day there is a vast demand for machinery in India. To begin with there is a larger demand for reconditioning from the coal, cotton, and jute textile industries; the existing plant was run continuously during the war without replacement and is now in many cases obsolete or worn down and will need replacement. The main type of plant in demand will be cotton textile machinery of modern design, coal-mining machinery and electrical plant. It is clearly in this field that Czechoslovakia can play an important role. The unsatisfactory delivery dates quoted by British manufacturers and the high prices of American

machines have prevented India from satisfying the great majority of her plant requirements. Any country in a position to supply cheaply and quickly will have a great advantage.

Czechoslovakia's main imports from India have consisted of raw materials—hides and skins, esparto grass, oilseeds and so on. India, like many other countries, is preparing a great export drive and will be anxious to trade with those countries which can absorb a large proportion of her exports. In the past Czechoslovak imports from India have been three times the value of her exports to that country—and the balance, in spite of the Czechs' increased requirements for their Five Year Plan, will probably remain in India's favour.

India's shortage of foreign exchange has hampered her import programme since the war and has forced her to impose stringent restrictions on the import of luxury and non-essential goods from abroad; imports are now limited to basic essentials like food and capital equipment. The present sterling balance talks between India and the U.K. in London, will help to clarify the situation. During the war India piled up a sterling balance in Great Britain equivalent to £1,218,500,000 in November, 1946. A minute fraction of this total balance has been released under the two temporary agreements already concluded between Britain and India and much of India's future

import programme will depend on the size of the releases which Britain will now grant. If they are small, India may well be forced to obtain a loan—presumably from the U.S.A.—and this would have a definite bearing on the directions and volume of India's international trade.

Such are some of the factors which will affect the forthcoming Czech-Indian talks. The present deliberations of the third session of the UNO Economic Commission for Asia and the Far East, now taking place in South India, will provide further background for the future of Indian trade with the outside world. America is taking a swiftly increasing interest in the prospects of trade and investment in India and it is widely known that the Indian Government's recent announcement that nationalisation plans would be postponed for at least five years has been very favourably received in U.S. commercial circles. The effect, however, on India's plans for industrial expansion may not be so good; the view was held by many leading Indian economists that the nationalisation of foreign-owned enterprises in India was an essential first step to any planned expansion of her economy and her people's purchasing power. Moreover, it would seem unlikely, in view of the uncertainties of American aid and the unplanned nature of Indian economy, that Czechoslovakia will be able to conclude a large-scale long-term agreement on the model of her recent trade pacts with her Eastern neighbours.

AUSTRALIA—A NEW ASIATIC POWER

by Neil Stewart

THE fact that Australian goods now compete with those of the great powers brings another new factor into the balance of Eastern relations. Despite the traditional "White Australia" policy—the origin of which is not racial discrimination but the desire to keep up wages—Australia approaches the independent Asian countries as a new neighbour willing to trade on equal terms. To-day good relations with the East are as important as the traditional good relations with the West.

Industrialisation developed in Australia over a period of forty years. The first great stimulus came in the First World War when the needs of the Allied armies and the shortage of imported goods laid the basis of the secondary industries. The economic crisis of 1929-35 resulted in a shortage of foreign currency which encouraged the manufacture of goods previously imported.

The Second World War saw a big jump forward. In 1939 Australia had 26,000 factories employing 565,000 workers and producing goods worth £A196 millions. By 1945 there were 28,000 factories employing 750,000 workers and producing goods worth £A362 millions. Thus factory production over this period increased by 110 per cent. against an increase of 55 per cent. in rural products. What is more, after 1939 Australian industry began to produce goods it never before manufactured, such as machine tools, petrol engines and aeroplanes.

The war-time industrial expansion has by no means stopped. Bank returns show that while capital investment in rural industries is stationary, capital is still flooding into manufacturing industry. In 1946 in New South Wales, Victoria and South Australia, some 2,795 companies with a capital of £A82 millions were formed. In 1947 these figures had increased to 3,127 companies with a total capital of £A108 millions.

A large percentage of new investments come from overseas. Of the £A62 millions invested in New South Wales in 1947, £A25 millions were of British or American origin. It is estimated that during 1948 British firms will invest £A32 millions in Australia, American firms £A16 millions, while local concerns have expansion programmes involving the expenditure of £A25 millions. Thus Courtaulds' intend to establish a £A5 million factory employing 4-5,000 workers for the manufacture of rayon. The Electric Supply Corporation of Great Britain have plans to develop the Blair Atholl coalfields in Queensland at a cost of £A18 millions. Coal production is expected to be 3,500,000 tons a year, which will transform the whole economy of the State. An American firm is to build new oil refineries at Melbourne. The General Motors Corporation of America has set up a factory to build motor cars and expects to begin mass production by October. Production of industrial vehicles and tractors is also

planned. The great mining concern of Broken Hill Proprietary, one of the six big firms that control 50 per cent. of industrial production, the *Zaibatsu* of Australia, plans to build a tin-plate works that will not only make Australia independent of tin-plate imports, but will allow a surplus for export. A considerable aluminium industry is expected to be developed from the bauxite deposits of Tasmania.

The end of the war saw a rapid conversion of Australian industry to peace-time production. Export figures to date show that Australia is determined to occupy an important position in the Eastern market. For the seven months ending January, 1948, exports to Hongkong were nearly £A5 millions against practically nil ten years ago. Exports to Ceylon were ten times the 1938 figure, to India nearly eight times, Malaya four times, China two and a half times. At present exports to the East Indies are small, but it is expected that they will increase rapidly, although some feel that as a result of the Marshall Plan, the cream of the Dutch colonial market will be reserved for the U.S.A.

It is estimated that for the present financial year Australian exports to the East will be above the 1946-47 figures, or over £A60 millions as compared with £A14 millions before the war. The value of exported foodstuffs has increased by 72 per cent. since 1936-37, and of wool by 50 per cent. The export of iron, steel and lead has grown by three and a half times. The big and important jump forward, however, is in the export of manufactured goods such as textiles and fibres, vehicles, machines and machinery, chemicals and fertilisers, rubber and leather goods. These have increased six and a half times over the 1936-37 export figures.

It is important to remember, however, that while Australia's markets for food and wool are fairly free from competition in view of the world shortage of these commodities, her manufactured goods have to fight their way through a sea of ever-increasing competition, not only with Britain and the U.S.A., but now also with Japan. On the other hand, Australia is building 50 locomotives for China, and 45 locomotive boilers and 111 carriage bogies for the Indian railways. Also Eastern countries have replaced considerable orders for refrigerating machinery.

The relative size of Australian industry can be gauged by the fact that pig-iron production is just over a million tons, and coal 13 million tons a year. Australia to-day stands, as an industrial power, somewhere on the same level as Belgium and Italy, except that her resources are greater. The possibilities of expansion are vast—there are enormous reserves of coal and iron-ore—and are limited only by the demands of the market and the size of the population. There is a basis for reciprocal trading with the East. Asian countries possess many commodities which are lacking in Australia—such as cotton, jute, silk, tea, rubber, petroleum, tin and other minerals, spice, oils and fats, and many others of lesser importance.

What part has Australia to play in Eastern politics? To paraphrase Clausewitz, politics are the continuation of trade by other means and the development of Australia as an independent manufacturing and exporting country has

inevitably led to a foreign policy which has not always been in harmony with that of the great Western powers. The Australian Government is paying increasing attention to propaganda in Eastern countries; the Dominion has diplomatic and commercial representatives in most capitals, grants have been made to enable Asian students to study in Australian universities, and its broadcast system relays to the East.

What economic considerations affect the relations of the Western powers with Australia? They need Australian food and wool. Australia is a good market for their manufactured goods and an investment for surplus capital. Australian industry would be a valuable reserve in the event of war with Russia but, as the competition on the world market becomes more acute, neither Britain nor the U.S.A. welcome the competition offered by Australian manufactured goods.

The more conservative farming elements, whose economy is bound up with supplying raw materials to the Western powers, are more likely to agree with Mr. Bevin's foreign policy. Perhaps the purchase of 50,000 bales of wool for Japan by S.C.A.P. has been intended to show that Japanese recovery can be profitable to the farmers. Also the owners of the mining and steel industries, closely integrated with their British counterparts, are probably inclined to agree although there are fears that the Marshall Plan may restrict the sale of Australian products to Britain.

The first important manifestations that there are Australian interests opposed to those of the great powers was shown by the widespread support for the Indonesian Republic. The second, and more important, is over the question of the Japanese Peace Treaty. Over this matter the divergence of opinion is big and likely to become bigger. It is now generally understood that the U.S.A. intends to rehabilitate Japanese industry to pre-war levels in order to create for herself a sound economic and political base in the East. The success of this policy will inevitably result in the economic supremacy of the U.S.A. and Japan in the Far East and South East Asia, and make access to the market dependent upon American goodwill. Many in Australia feel that this will result in the exclusion of Australian influence from the East and that a reconstituted Japanese Empire would always be a potential menace to the Dominion.

There is no doubt that present political and economic trends in world affairs will have strong repercussions in Australia. Already the keener competition for markets is shown by the decline in exports of Australian manufactured goods, except machinery, since June, 1947. Total exports for 1947-48 will be higher, but only as a result of the increased value of food and wool. Perhaps the pro-American elements in Australia, combined with encouragement from the Western powers, will dragoon the young Dominion into following the Anglo-American path. Perhaps the menace of Communism, if sufficiently inflated, will serve to hide the menace of Japan. One thing is certain: if a market is not found for Australia's surplus of manufactured goods, then there will be strong reactions in Australia which will tend to drive her into opposition to the present Anglo-American policy in the East.

THE HOUSE OF TATA

by Sir Frederick James, O.B.E.

THE House of Tata was founded sixty years ago, but the founder of the firm, Jamshedji Nusserwanji Tata, was born in 1839. Its history, therefore, is partly the story of India's industrial development, and partly the story of one of the most remarkable figures of the nineteenth century. Jamshedji Tata came of an unbroken priestly line, and after passing out from Bombay's Elphinstone College in 1858, the year the British Crown assumed sovereignty over India, he was articled to a solicitor, but shortly after joined his father's trading firm, whose business was general merchandise. He took a special interest in developing trade with China, and visited the firm's Hong Kong and Shanghai Branches to gain experience. When the American Civil War caused a boom in the Bombay cotton market, he and his father joined the Asiatic Banking Corporation which was floated on the high tide of prosperity, and the son went to London to establish an agency for the firm. While he was there, the tide ebbed, and with it the Bank, and he found himself in a strange land, with credit impaired and a bag-full of worthless scrip. The frank and able way in which he faced his creditors and the banks greatly impressed everyone, and they appointed him liquidator of his own firm on £20 a month! On his return to Bombay, something was salvaged from the wreck, but his father had to retrench severely. The firm's credit was re-established during the next three years. A share in the lucrative contract for the commissariat of Napier's expedition to Abyssinia in 1868 restored the family fortunes, and Tata was able to spend four years in England, where he was fired with the ambition to manufacture textiles in India.

When he came back to Bombay, he, with three others, bought a liquidated oil mill and converted it into a spinning and weaving mill, naming it Alexandra after the then Princess of Wales. Two years later it was sold at a fair profit, and he returned to Lancashire to make a much more intensive study of textile technique and organisation. The result of this trip was a deepened conviction that India was a suitable and splendid field for the development of this industry. At that time, it was wholly confined to the city of Bombay. Most of the existing fifteen textile mills were inefficient and out of date, and conditions of labour were very bad. Tata decided to establish new and up-to-date mills at Nagpur in the Central Provinces, hitherto an undeveloped area, on the edge of great cotton-growing fields. In 1874, the Central India Spinning and Weaving Company was floated, with a capital of £115,000. The new mills were opened on January 1st, 1877, and called the "Empress Mills" in honour of Queen Victoria who was proclaimed Empress of India on the same day. They were the first to incorporate "air-conditioning" apparatus, "ring-spindles," and automatic sprinklers. Mr. Tata was also the first to introduce a bonus system and a provident fund, and to provide amenities for his employees.

The mills prospered and expanded; and so did

Nagpur. The Empress Mills laid the foundations of his personal fortune, and those of the House of Tata. He enjoyed to the full his growing wealth and the amenities it commanded. He was generous and hospitable. He travelled far and observed and acquired much. Yet wealth to him was never an end in itself. He expected every industry he established to pay good dividends; but he also thought of the prosperity it might bring to his country. He wanted to make India a great industrial power, and to this aim he brought a restless and inventive energy, a prophetic insight and a high conception of service.

During his many travels he compared his country with the great industrial nations of the West and came to three conclusions:

First that no country could become industrially great which did not manufacture iron and steel;

Second that no sustained economic growth is possible without the aid of science and technical education;

Third that the prosperity of Bombay, of which he was inordinately proud, depended upon the provision of cheap electric power which would release it from its bondage to the distant coal fields of Bengal and Bihar.

Montaigne said that "a powerful imagination produces the event." From Tata's imagination flowed three great and practical projects: the iron and steel works at Jamshedpur; the great hydro-electric system which makes Bombay virtually independent of coal, and the Indian Institute of Science at Bangalore, which has produced some of India's finest scientists and technicians.

Apart from these, Tata's interests were many and varied. He created an endowment which was subsequently developed and enlarged by his sons for financing training abroad for the I.C.S. and the professions; he applied the findings of science to the growth of cotton and other crops; he introduced sericulture into India and was thus the pioneer of an industry for which Mysore has since become famous; he floated a company for the reclamation of Back Bay; he experimented in deep sea trawling and prepared a scheme for refrigeration on a large scale; he anticipated the needs of modern travel by building the Taj Mahal Hotel at a cost of £300,000, at a time when such a venture was regarded by his contemporaries as a "white elephant"; he started and operated an Indian shipping line between Bombay and the Far East, until it was driven off the high seas by the deadly and dubious competition of established shipping companies.

The firm of Tata was established in 1887 as a private trading concern, with Tata, his two sons Dorab and Ratan, and a cousin R. D. Tata, as members. It had a modest capital of £1,575. Textile manufacture is one of its principal activities. Sixty years ago the Empress Mills were just established on a satisfactory dividend paying basis; then came the Swadeshi Mills, started in 1886 for the manufacture of finer cloth; then the Ahmedabad Advance Mills, which reverted to Tata in 1903 as the result of foreclosing a mortgage; and the Tata Mills in 1913 com-

pleted the group, which to-day has 286,000 spindles, 7,100 looms, 37,000 employees and a capital of £6½ millions.

In England the name of Tata is generally associated with steel. This key industry was not started without difficulty. It took Tata twenty-five years of investigation and prospecting before he found the village of Sakchi in the jungles of Bihar, near ore-fields, within easy reach of the Jheria coal fields, only 150 miles from Calcutta, and with an unfailing water supply from two rivers at the junction of which it was situated. Now it is the home of the largest self-contained steel plant outside the U.S.A. and the U.S.S.R.

The last obstacle was finance. Many lakhs of rupees had been spent in development, and Tatas decided to raise fresh capital in England. They failed. The City of London had little faith in the project. Fortunately India had just launched the Swadeshi movement, and it was decided to ask Indians to subscribe the necessary capital. The issue was announced and the result is best described in the words of a foreign observer: "From early morning till late at night the Tata offices in Bombay were besieged by an eager crowd of investors. Old and young, rich and poor, men and women, they came, offering their mite; and, at the end of three weeks, the entire capital required for the construction requirements, £1,630,000, was secured, every penny contributed by some 8,000 Indians."

In 1907 the Tata Iron and Steel Company was launched, and in 1914 steel was being produced on a commercial scale. The first world war saw an immense growth in range and output; the second world war extended this to armour plating and all kinds of special steels which protected the Indian troops on many a battleground.

Tisco, as for short the company is called, owes much to the technicians who came from America and Europe in the early days. To-day very few remain. Indians have been trained, many in the Jamshedpur Technical Institute, out of whose 310 students 210 now hold responsible jobs in the company, the direct and detailed management of which is now in the strong and capable hands of Sir J. J. Ghandy. The works now produce sheets, plates, bars, structurals, rails, sleepers, fish plates, wheels, tyres and axles for railways and agricultural tools. There are also valuable by-products such as coal tar, sulphate of ammonia, and benzol. Then there are smaller companies located near the Steel Works and associated with them, which make tin plates, wire rods, nails, bolts and nuts, electric cables, steel mill rolls and castings. The Steel Company also has its own ore-mines, quarries and collieries.

The third pillar of the House of Tata and project of its founder is the hydro-electric group of companies, which produce to-day, through their three great power stations, one-third of the total electrical energy in India. Here again the City of London rejected the first attempt of the promoters to raise £1½ millions, and in 1910 the requisite capital for the first development stage was found in India. The first unit, the Tata Hydro Electric Power Supply Company, began operations in 1915; the second, the Andhra Valley Power Supply Company, in 1932; and the third, the Tata Power Company, in 1937. Tata Sons Limited were the managing agents of these companies up to 1929 when, with a view to placing the management in the hands of an

organisation specialising in the operation of public utility companies, they entered into a partnership with the American and Foreign Power Company Incorporated, and a new company was formed called Tata Hydro-Electric Agencies Limited, which has been responsible for the operation of these great units for the past eighteen years.

The power generated is transmitted through a grid system over 275 route miles of lines to Bombay and Poona, and is distributed to industrial concerns in Bombay City through 200 miles of underground cables.

Cement is another basic industry pioneered by the House of Tata. The Indian Cement Company Limited was floated in 1912 with a paid-up capital of £200,000, with a factory at Porbandar in Kathiawar. A second company was established in Hyderabad in 1925. Other companies came into the field, and in 1936, in order to improve production, consumption and marketing, and to avoid uneconomic competition, a manufacturers' combine was brought about by the late F. E. Dinshaw, known as the Associated Cement Company (A.C.C.) with a capital of £3½ millions.

The House of Tata was also responsible in 1919 for promoting the New India Assurance Company Limited, to-day the largest composite Indian assurance company transacting all classes of insurance business, with branches throughout India and the Middle East.

In 1918 the Tata Oil Mills Company was promoted to produce crude vegetable oils for export and a mill was built at Ernakulam in the Cochin State. Unfortunately, as soon as production commenced, the United States put on a prohibitive tariff in favour of the coconut industry of the Philippines, and closed the chief market for Indian oil. A complete change in policy was required, and the company decided to produce finished goods for the Indian market. The first oil-refining and deodorising plant in the country was installed, and in 1924 "Cocogem" was on the market; later "Pakav"—a vegetable oil substitute for ghee. Then came soap. The annual *per capita* consumption of soap in India is 4lb., compared with 20lbs. in Great Britain and 25lbs. in the U.S.A. So Tata went in for soap manufacture. First came the washing soap "501," and then high-grade toilet soaps, and other toilet preparations—hair oils, shampoos, shaving soap, eau de cologne, and perfumes are now produced. Demand soon outstripped capacity and the second mill was built in 1938 at Sewri near Bombay. With a rising standard of living and a growing need for these products, there is room for still greater expansion.

One of the more recent and difficult enterprises of the House of Tata is the manufacture of heavy chemicals. Tata Chemicals was floated in 1939, and the salt works at Okha, one of the Kathiawar ports in Baroda, were purchased. Orders for machinery were placed in Europe, Great Britain and the U.S.A., but, owing to the war, deliveries were hindered and delayed.

Plans for another great enterprise have now been made. An agreement has been reached with one of the largest dye-producing concerns in the world, Imperial Chemical Industries, by which that great organisation makes available to Tatas the information and technical assistance necessary to establish in India a dyestuff industry which will, after a period of years, be owned and

controlled by Indians. Thus another important stage in the industrialisation of India will be reached.

One of the lesser-known romances of the House of Tata is the development of its air line, known as "Air-India." The centre of this story is the present Chairman, Mr. J. R. D. Tata, a keen and much experienced pilot. Up to 1930 there was no regular internal air service in India. In 1932 Tatas started an aviation department, and a weekly service between Karachi and Madras via Bombay, was established. This started with two light single-engined aeroplanes, two pilots, one ground engineer, and a few unskilled assistants. Services were increased and extended until in 1939, with the inauguration of the Empire Air Mail Scheme, five services a week were being operated between Karachi and Colombo, two between Bombay and Delhi, and one between Bombay and Trivandrum via Goa and Cannanore. The war interrupted this development, aircraft were requisitioned and the company was called on to perform emergency tasks such as the evacuation of civilians from Baghdad in 1941. After the war, larger machines were purchased and air travel spread with astonishing speed. To-day, Air-India are operating daily services between Karachi and Colombo, Delhi and Bombay, Bombay and Calcutta, and Madras and Trivandrum;

and the staff of 1,900 includes 60 pilots, 25 radio operators and 50 air hostesses.

India is now to enter the field of international air transport, and a new company has been formed called "Air India International" in which the Government of India hold approximately 50 per cent. of the shares. Its purpose is to establish a regular air service between London and Bombay, via Cairo and Geneva, with long-range, high-speed, four-engined aircraft of the most modern type. Air India has been chosen to operate the service, and thus had the honour of carrying the flag of the Indian Dominion on the first Indian regular service to arrive at Heath Row on June 9th, 1948. Incidentally, this represents an interesting experiment in joint State and private enterprise.

In this necessarily brief survey of the beginnings and developments of this, the largest single aggregation of Indian industry, with a total capital investment of £62 millions, I have no space to refer to its ups and downs, its mistakes, and its costly and unprofitable ventures; or to its detailed organisation. It has throughout these years striven to fill the serious gaps in India's economy, and to meet the national needs. Thus it may claim to be not only a great industrial enterprise, but also a national asset.

THE FUTURE OF RUBBER

by Gordon Anderson

WHAT is the future of rubber? This is a question that British rubber interests would very much like answered. All that can be done at present is to enumerate the factors affecting rubber, natural and synthetic, in its place in world economy, and to make what deductions one can.

Before the war Britain headed a world cartel of rubber producers. The U.S.A. as the biggest consumer, was obliged to accept the price fixed by her rival. The last war, however, saw America become the dominant foreign power in the East. No longer would a British rubber cartel be tolerated. To-day the U.S.A. is the deciding factor in all matters concerning rubber. At the last meeting of the Rubber Producers' Investment Trust, Mr. H. J. Welsh said: "On the consumption side the influence of the United States, from the political and economic aspects, continues to be the dominating factor."

As a result of this position the U.S.A. can buy natural rubber at only a shade over the pre-war price, while the rest of the world has to pay four and five times the pre-war price for American manufactured goods. Last year Britain received \$200 millions from the sale of rubber; if its price had risen equally with most other raw materials, the British Exchequer would have received two or three times the amount; enough to solve much of its dollar difficulties.

How have the Americans been able to keep down the price of raw rubber? Certainly not only through the competition offered by the synthetic product. The American tyre manufacturer and the American tyre user

have both expressed their preference for natural rubber. If they had the choice they would buy natural rubber and pay more for it. It has been suggested in the House of Commons by Mr. L. D. Gammans that the price of natural rubber was kept low in order to remain on the good side of our trans-Atlantic allies to obtain better conditions for the 1946 loan. No doubt this applied also to E.R.P., and perhaps the low price of rubber has been one of the considerations affecting Anglo-American collaboration on matters of foreign policy.

The other way in which the price of rubber has been controlled is by the enforced use of synthetic rubber in tyre manufacture. During the war the Americans developed a synthetic rubber industry capable of producing a million tons a year. In 1946, 761,000 tons were produced, and in 1947, 550,000 tons. Only in 1948 is it expected that natural rubber consumption will exceed the synthetic. Special legislation obliged manufacturers to use a given percentage of synthetic in their work. This war-time legislation came to an end in March this year, and was replaced by a new law which fixed the minimum amount of synthetic rubber to be produced at 221,000 tons annually. Theoretically there is nothing to prevent the President of the United States from fixing synthetic rubber consumption at 100 per cent.

The result of American policy was shown last year. In April the American government monopoly of rubber purchase came to an end and a free import of rubber was allowed, subject only to regulations controlling the amount

of synthetic to be used in manufacture. Rubber producers had accumulated considerable stocks in the expectation of heavy American buying but, as a result of American policy, the demand for natural rubber did not materialise, and price dropped by 30 per cent. to 9d. a lb. and did not recover until three or four months later.

What is the outlook to-day? After only just over a year of full peacetime industrial production the economic experts are sharply on the look-out for a decline in American business. Last year the decline was expected to begin early in 1948. Estimates of 1948 rubber consumption were placed at 800,000 tons, or 300,000 tons less than in 1947. To-day that figure is not quite correct. It looks as if American preparations for war, and expenditure on E.R.P. will act as a stimulant to American economy. How great that stimulant will be nobody knows. The fifth meeting of the Rubber Study Group in Washington last April, decided that rubber consumption would be about the same as in 1947. Synthetic production would fall, while that of natural would rise. The biggest boost to the market will be the decision of the U.S. government to build a stock-pile of 500,000 tons of natural rubber.

One must not imagine that this will affect the price of rubber. The Americans remember the pre-war situation when the price of British Empire raw materials rose as stock-piling began, and the U.S.A. had to fork out dollars for Britain's war chest. We are by no means sure that the Americans will keep their synthetic production at the

level they have estimated for 1948. Other areas are beginning to produce rubber on a large scale. The N.E.I. expects to export a hundred thousand tons more than in 1947, and Siam, who used to send her rubber to Singapore for re-export to the U.S.A., is now selling it straight to America in return for dollars.

So, if the Americans have their way, and there is little reason to see why they should not, it looks as if the price of rubber will not rise above its present level. Mr. F. D. Ascoli pointed out at the last meeting of the Rubber Growers' Association that the Americans "resent any increase of price over 20½ cents (1/-); they were quite prepared to wait until they could buy at or below that price." Any attempt to force the price of natural rubber above the present level would, no doubt, lead to violent reactions in the U.S.A., and an increase in synthetic production until the price fell again. The considerable political influence that Washington has over British economy could, no doubt, also be brought to bear to keep price at its present level. It looks as if all the aces are in America's hand. A fifth ace up Uncle Sam's sleeve is the possibility that an improved type of synthetic rubber may be produced, which would make the country independent of natural rubber altogether.

The sum of these factors makes any great investment of capital in rubber plantations a considerable risk. Any forecasts, however, of the future of rubber, are risky. All one can say, as regards a long term policy, is that the outlook is by no means cheerful.

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DUTCH ENTERPRISE IN NEW GUINEA

by Isle Bunbury

NETHERLANDS New Guinea and its adjacent small islands are the only territories among the former Dutch possessions which will remain under Dutch control and outside the future State of Indonesia. It is, therefore, not surprising that renewed efforts are now being made by Dutch enterprise to open up the country. The total area of Dutch New Guinea, comprising the western part of the island, covers 380,000 square km. Through it runs the Central Mountain chain, hardly explored and largely inaccessible. The contrast between its snow-covered peaks and forest-clad mountain sides, and the tropical swamp and savannah of its coasts makes New Guinea geographically an interesting territory and also gives it a certain grandeur and beauty. But from a purely colonisation point of view Dutch New Guinea is a difficult and costly proposition.

The first organised attempts at exploration were begun in 1936 by the Netherlands New Guinea Petroleum Company, a combine of Dutch, English and American capital. This company contracted for a provisional concession of ten million hectares of which nine million hectares were to be returned to the Government in ten years' time. The territories were located in the south-western and north-western parts of the mainland and on one of the larger islands in the Geelvink Bay. The survey was made by aerial photography. Preliminary work started in the more accessible regions, and where navigable rivers were available materials were shipped in small craft. Where the oil-bearing territory was not accessible by river, roads had to be cut through bush and jungle, bridges were built and pipes for water supply had to be laid. A radio station was erected at a central point to establish contact with the outer world, barracks for the storing of building material and dwelling places for personnel were built. After five years' preparatory work things had not advanced very much and it had not yet been ascertained what sort of boring structure would be needed. Then the war moved to New Guinea and only in 1947 was work resumed, and exploratory borings down to 3,000 metres were being prepared after oil had been found at a small depth. The main oil-bearing centre lies in the north-western peninsula, the Vogelkop.

In 1938, the Government began to work a rubber plantation in the northern coastal region of the Vogelkop peninsula, the Ransiki River delta. This pioneer enterprise extended over a region of 1,000 hectares. Papuans were used to help with the rougher work of establishing the plantation and 250 Javanese were imported to undertake the more difficult tasks. The Dutch were experimenting for the first time with organised and regular employment of Papuans and they tried various tribes to ascertain their suitability. The island and coastal tribes proved fairly suitable (absenteeism amounting to 30 to 40 per cent.), but the mountain tribes could not stand the hot coastal climate. Relations between the two races, the native Papuans and the imported Javanese, were another source of anxiety and it was found impossible to employ Javanese in any position

of authority. Ambonese and islanders from Ternate had to be introduced as foremen. These latter spoke several Papuan dialects and got on well with the Papuans. Rubber plants were brought from Java and Sumatra. By the end of 1939 sixteen hectares of land were under cultivation and the Dutch were hoping to tap for the first time in 1945. The Government, however, found the whole experiment too costly and in 1942 sold the plantation at cost price to a newly formed Dutch company, the Negumij or N.V. Nederlandsche Maatschappij voor Nieuw Guinea, which aims at systematic exploration and exploitation of the territory.

Founded in 1938, the Negumij was formed by fifteen limited liability companies with large East Indies interests in banking, navigation, plantation, industry and commerce, with a capital assessed as fl2,100,000. They planned to work mostly in the fields of agriculture and forestry, industry and commerce but not to undertake mining operations. Again vast preparations were needed for their enterprise. Territory had to be found which might be suitable for agriculture, particularly on a large scale. The south coast of Dutch New Guinea, with its many miles of swamp, was quite unsuitable for agricultural purposes, except for sago. The vast river valleys of the Rouffaer and Idenburg rivers were equally unsuitable as was the western peninsula of the Vogelkop. There remained only the north coast between Hollandia, on the Humboldt Bay, and the Ransiki River. The Negumij examined scientifically some 2,150 square km. and only 400 square km. were found suitable. Of several expeditions which were sent by the company, only the one which worked near Hollandia was really successful. Three years of exploratory labours followed, but the enterprise remained wholly experimental. After the war, in June, 1947, a commission was sent to examine afresh the territory, and consequently a programme was formulated for the establishment at Hollandia of intensive food agriculture, cattle breeding, brick works, lime kilns and a ceramic industry.

Apart from these projected large-scale development schemes, small settlements and plantations have been founded in various parts of the country and the following products are now being planted: tapioca, maize, ground-nuts, coconut, coffee, tea, tobacco, rubber, sisal, jute, cotton, kapok, derris root, etc. A very valuable forest product is copal, a resin which is obtained from the Agathis tree and which is used for the production of paint, ink, lacquer, insulating materials and gramophone records. Beside the oil, there exists a coal field in the Vogelkop Mountains, copper in the Central Mountains, bauxite near Hollandia, and alluvial gold has also been found. Most of these minerals, however, are in inaccessible regions. Research has begun, after the war, into the fishing industry, particularly investigations into fresh water fish supply from the large New Guinea rivers are planned and will be conducted from the experimental station at Macassar, on Celebes.

The difficult terrain, the malarial climate, the very isolation of Dutch New Guinea make its colonisation an unprepossessing task. An additional handicap is the labour question. The Papuan tribes in the Dutch territory, like those in Australian Mandated New Guinea and Papua, are unaccustomed to regular, systematic work and it will be impossible to employ them in skilled and responsible positions. The introduction of large labour forces from Indonesia or Southern Asia might, therefore, be necessary. This raises a number of questions which are already disturbing the Southern Hemisphere. Australia, for one, is strongly opposed to the introduction of coloured labour and has kept her own territory of New Guinea free from

immigration. (A small number of Chinese artisans and shopkeepers on New Britain date from the German period.) There is also the example of Fiji where Indian emigrants will presently outnumber the native Fijians and where a number of thorny problems are facing the administration. Dutch New Guinea with its small and mostly wild population (the bulk lives in the inaccessible interior and its numbers are not yet definitely known), might easily become another Fiji and the door would automatically be opened to the influx of a foreign coloured population into Australian territory. Considering all things, Dutch enterprise and ingenuity is certainly finding some man-sized problems in its part of New Guinea.

ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

THE Economic Commission for Asia and the Far East (E.C.A.F.E.) held its third session between June 1st—

12th at Ootacamund, Madras, India. Outcome of the meeting has been a large number of varied resolutions, amongst them an appeal to industrial countries to supply capital goods and basic materials to the Asiatic and Far Eastern areas. The Commission has asked member governments to study immediately the possibility of exchanging materials for capital goods from Japan, and it recommended that all trade with Japan should be adjusted to the needs of receiving countries and in accordance with the limits set by the Allied Far Eastern Commission, and by the peace treaty, when completed. The Commission made arrangements for inter-regional trade and for the establishment of a Flood Control Bureau; it asked for the reduction of prices of essential commodities and called for an Asiatic timber conference next year under F.A.O. auspices. It further urged the United Nations to create a technical training programme whereby experts from all over the world would be recruited for the training of peasants and unskilled workers in Asia to operate modern machinery, and called for an early meeting of experts to examine transport problems of the Far East. The Commission also decided that Shanghai should remain its temporary headquarters until a permanent site had been selected. The forthcoming (fourth) session will take place next November in Australia.

Established by the U.N. Economic and Social Council in March, 1947, E.C.A.F.E. is designed to initiate and participate in measures for economic reconstruction in the Far East, raising the level of economic activity, and in maintaining and strengthening economic relations of the areas concerned, both among themselves and with other countries. Territories included were in the first instance, British North Borneo, Brunei and Sarawak, Burma, Ceylon, India, Indo-Chinese Federation, Hongkong, Malayan Union and Singapore, Netherlands Indies, Philippine Republic, and Siam. Its first session was held in Shanghai, in June, 1947, and its second session in Baguio in the Philippines in November and December of last year.

Member governments of E.C.A.F.E. are: Australia,

China, France, India, Netherlands, Pakistan, Philippines, Siam, U.S.S.R., United Kingdom, and U.S.A. The organisation admitted Burma, Ceylon, Hong Kong, the Federation of Malaya, Cambodia, and Laos as associate members who are "entitled to participate without vote in all meetings of the Commission, whether sitting as Commission or as Committee of the Whole. . ." E.C.A.F.E. sessions are also attended by representatives of I.L.O., F.A.O., U.N.R.R.A., the International Bank of Reconstruction, of S.C.A.P. in Japan and U.S.A.M.G. in Korea as well as of other international agencies.

At the First Session the main task consisted in setting up an immediate programme of investigation, bearing in mind the resolution of the Economic and Social Council, while the Second Session considered the functions, methods and the organisational arrangements necessary to give effect to the substantive work of the Commission through field teams and Committees. A special Report of these two sessions has been published by the Economic and Social Council of U.N. which contains many interesting details on the proceedings, resolutions and decisions taken by E.C.A.F.E. concerning, amongst others: The establishment of a Working Party on Industrial Development; the establishment of a Working Section in the Secretariat on Trade Promotion in the E.C.A.F.E. Region; the establishment of a Bureau of Flood Control; technical training and use of expert assistance by governments; statistical and economic documentation; advance mutual exchange of advice; relations between E.C.A.F.E. and the Special Commissioner in South-East Asia and other International Agencies.

Another publication of the Economic and Social Council is of great interest to wider circles. It is the *SURVEY OF RECONSTRUCTION PROBLEMS AND NEEDS* compiled by E.C.A.F.E. This report emphasises that in some aspects of production in certain countries, the urgent problem is not so much to restore the pre-war productive capacity, as to prevent deterioration even from the present low level, or to utilise existing productive potential to the full. Among further considerations, the report mentions:

"It may be of little use simply to provide draught animals, fertilizers in order to increase agricultural production, because disturbed political conditions, the shortage of incentive goods, or disrupted transport prevent the distribution of agricultural commodities."

Dealing with the Basic Situation in the Far East, the report stresses that although conditions vary in different areas, there are many characteristics which are very general for the whole region. It is useful, says the report, to relate the requirements of reconstruction to the basic characteristics of the economies within the area as they are revealed by the pre-war situation. Such an account serves to bring into focus some of the social requirements and difficulties of the area, and it does not necessarily follow that policies and programmes suitable for Europe would be equally applicable to the Far East. The report deals in length with the poverty of about 1,250,000,000 people living in the region. A large proportion of expenditure is on food, and the high percentage of total family expenditure on food does not mean that the people are well fed. The caloric intake is low, and there is an inadequate consumption of protective foods. There is only small expenditure on clothing and other consumer goods, fuel, education, and other services and amenities. Standards of housing and sanitation are low.

The reason for the poverty which expresses itself in this way is low productivity per head of population, inefficient organisation for increased production and the high ratio of population to resources, especially land. Poverty, says the report, presents a barrier to the development of new technique and new methods. In some areas undeveloped resources which could be used to improve the living standards are existing and could be utilised, provided that the results of development were not absorbed by population increase. Since the incomes are already low, the margin available for saving and therefore for investment of capital is very small. This is the main justification for the argument that economic development in the Far East demands borrowing from abroad. Dealing with the problem of population increases the report says that in some, although not all parts of the region, the situation has become worse than pre-war, especially in relation to food supply, because of continued increase of population. The report quotes R. Mukerjee, *Races, Lands and Foods*, who estimates the annual increase in this area at six million people.

The pressure of population on the land is indicated by the small size of holdings, which results in low yields per head and frequently even in low yields per acre. This is to be explained, at least partly, but the use of primitive tools and implements, poor quality seed and livestock, and by lack of fertilisers. The small size of the holdings and the poverty associated with it are hampering the extensive use of new methods and of better implements. Productive efficiency is also impaired by an unsatisfactory marketing system, losses in storage and other factors. This agricultural situation, says the report, is in an important sense the crux of the problem. Since production per head is low, the surplus available to feed those engaged in other occupations is also low, while purchasing power per head for industrial and other non-agricultural products is trivial. This is the explanation for the fact that throughout the area the proportion of working population engaged in

agriculture is high, varying from 60 to 80 per cent. Except in Japan and parts of India and China, industrialisation, with its ancillary marketings and finance is not greatly developed. Small scale handicraft industries without power driven machinery are naturally of relatively greater significance than in Europe.

The report also deals with the relation between the development of the transport system and productivity, and says that except in Japan and parts of India and Indonesia, its inadequacy is a reflection as well as a cause of low productivity *per capita*.

A matter of some importance is the nature of the demand for income. In certain areas higher rates of return induce shorter hours of labour. This, the report explains, is an inevitable transitional phase, but is of more than academic interest in the present situation since it is related to the whole question of supply of incentive goods and the provision of labour for necessary work. In the absence of incentive goods to meet customary needs, the peasant may be reluctant to dispose of his surplus on the market. But an increase in price of his agricultural products in relation to the price of consumer goods may also cause him to consume more and to sell less of his product.

Anyone familiar with the Far East, says the report raising another important problem, is impressed with the manual dexterity of its people, and with the rapidity with which technical skills may be acquired. On the other hand, over extensive areas, for example, in south east Asia and Indonesia, there are as yet few of the indigenous population with the training, experience or ability to exercise administrative, or executive function in industry.

The importance of rice in the economy of the region is thoroughly discussed by the report which points out that much of the foreign trade in the pre-war years within the region was related to rice, the staple food. About 95 per cent. of the world's rice is produced and consumed within the region. Of the world production of 106.6 million metric tons (average for 1935/6—1939/40), Asia accounted for 102.5 million metric tons. Rice was the principal export of Burma, Siam, Indo-China, Korea and Formosa, while the main rice-importers were India, China and Malaya. The underlying community of interest in the production, consumption and trade in rice emphasises the necessity for consultation and concerted action during the present conditions of shortage and dislocation.

Summarising, the report says that, because the normal standards of living were low, a proportionate or absolute reduction is likely to have more serious effects than over the greater part of Europe, and may mean not so much the difference between comfort and austerity, as between subsistence and starvation. A reduction in the already low caloric intake not only means malnutrition, but also impairs energies which must be applied to reconstruction. The urgency of the food problem is thus a partial explanation in some areas of the delay in restoring the production of rubber and other products which provide a source of foreign exchange.

One may congratulate E.C.A.F.E. for this thorough report which gives information, unobtainable otherwise, and for the raising of many important problems which may lead to further studies.

ECONOMIC NOTES

THE CRISIS IN BURMA

There seems little doubt that the sensational speech by Thakin Nu, Prime Minister of Burma to the effect that Burma is to go "communist," was for local consumption only. Reassurances were received in London to the effect that no nationalisation would be undertaken without adequate compensation for the firms concerned. Nevertheless, in an attempt to pacify public opinion, the Irrawaddy Flotilla Co. and one third of the teak forest concessions were nationalised as from June 1st. The teak concessions include those of Foucars, and part of the Steel Brothers' and Bombay-Burma Corporation's concessions.

The Kyauktaga Grant, Ltd., holding a concession of 40,000 acres of paddy land granted in 1865 and estimated to be

worth £400,000, has also been taken over by the state. The second third of the teak concessions will be taken over in May next year, and the final third in May, 1950. So far there has been no question of taking over the Burma Oil Company's interests in Burma, nor the holdings of the mining firms such as Burma Corporation or Mawchi Mines.

In the first negotiations the British firms involved were offered Burmese government bonds as compensation. This offer has been refused and further discussions are in progress. It is known that the British firms would prefer compensation in sterling, of which the Burmese government should have considerable sums available if the export of rice is as large as expected.

BIG JUMP IN MALAYAN TIN PRICE

An increase in the price of tin from £500 to £569 was announced by the Ministry of Supply on June 1st. The price in September, 1939, was £230 per ton. Although this announcement came as a surprise, it has been known that Malayan tin interests have long been campaigning for a rise in the price of tin. Chinese tin producers, who produce one-third of Malaya's tin

output, claim that under the old price they were unable to remain in production.

The rehabilitation of the Malayan tin industry has been slow on account of the great technical and labour difficulties. In recent years, about two-thirds of the ore was extracted by European companies using huge dredges which cost up to £400,000 each and take about two years to build. In 1941 there were 120 of these dredges in operation, the majority of which were demolished or sunk before the Japanese arrived. By March, 1948, 61 dredges were again working in Malaya, but the replacement rate is bound to be slow owing to the demands being placed on the world's manufacturing capacity. However, there has been a great improvement in Malayan fuel and labour conditions and local coal production is sufficient for all demands. Although rice, the staple food of the mining labour force, is still in very short supply, the labour position is decidedly better than it was a year ago. In the first three months of 1948 the number of labourers in the tin mines increased from 43,809 to 46,086, and in the same period the

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number of mines in operation rose from 494 to 518.

Production has also shown a steady increase since the beginning of 1946. In that year the total output amounted to 8,500 tons, but in 1947 this figure was more than trebled and tin exports rose to 29,889 tons. In the first quarter of 1948, exports were 12,849 tons which represents an annual output of some 51,000 tons. This last figure is approximately two-thirds of the record pre-war annual output. The United States is the biggest market for Malayan tin. Exports to the U.S. in 1947 were 17,500 tons.

U.S. ANNOUNCES FIRST E.C.A. AUTHORISATION FOR CHINA

First authorisation for shipment of foodstuffs and other commodities to China under the U.S. Foreign Assistance Act was announced in May by Mr. Paul G. Hoffman, Economic Co-operation Administrator. Initial E.C.A. aid to China involves expenditure of U.S. \$36,500,000, and will cover a six-weeks' period to maintain a flow of major commodities. Mr. Hoffman explained that all aid to China in commodities during the current quarter will be by grant. The initial programme would provide funds to pay for cotton, petroleum products and fertiliser for which, in the main, the Chinese Government already had made procurement arrangements. He said it was proposed to spend U.S. \$13,500,000 for the April-June order and shipment of 18,000 long tons of wheat or flour from the United States, and 57,000 long tons of rice from Siam and Burma. The U.S. \$13 million proposed for cotton would finance about 66,000 bales. Petroleum authorised for U.S. \$8 million would be obtained largely from the Persian Gulf. The U.S. \$1,500,000 for nitrogenous fertilisers would pay for allocations of that commodity by the International Emergency Food Committee, which China so far had been unable to purchase because of shortage of foreign exchange. All commodities, with the exception of cereals and rice, would be bought through private trade channels.

SOVIET RUBBER PURCHASE IN MALAYA

Purchase of Malayan raw rubber by the Soviet Union totalled 15,000 tons for the month of May, as compared

with 3,700 tons for March. This makes the U.S.S.R. the biggest single buyer of Malayan rubber, and it is understood that contracts are held for further shipments during the next six months.

CHINA AND FOREIGN SHIPPING

Sir Ralph Stevenson, British Ambassador to China, declared in Chungking recently that the opening of China's inland waterways to foreign shipping would be an effective means of increasing her foreign trade. He referred in particular to the important Yangtze ports of Nanking and Hankow, recalling that before the war, when these ports were accessible to foreign vessels, China's exports to Britain amounted to U.S. \$100 million a year.

WOOL FOR JAPAN

There has been no decline in the heavy buying of Australian wool on behalf of Japanese firms. Shipments will leave Australia at regular intervals in the coming months. Since the recent decision to allow purchase of wool to be made for Japanese interests in the open market on a trader to trader basis, operators have been very busy. Under the Trade Balancing Agreement between Japan and the whole of the sterling area, including Australia, Japanese purchases from the wool exporting dominions are expected to total about £A10,000,000 in value.

To arrange for the resumption of wool export from New Zealand to Japan, the chief of the Wool Procurement Section of S.C.A.P. recently visited New Zealand. He made no announcement concerning the quantities and types of wool that Japan would want from New Zealand, but her demand is believed to be substantial. About 5,000 bales of South African wool were sent to Japan in April.

With China and India, Japan bought 5 per cent. of New Zealand's 1938-39 clip, the last before the war. It is anticipated that Japanese demand to-day will be the same as it was then—for the coarser types of wool which comprise the bulk of the New Zealand clip. First purchases for Japan will probably be made in New Zealand when the new auction season opens with crutching sales in August. Present indications are that the annual purchases from Australia are likely to reach anything

up to 200,000 bales. Trade between Australia and Japan will be continued for the time being on the understanding that the Supreme Command Allied Powers can convert surplus sterling to dollars.

JAPANESE BONDS IN UNITED KINGDOM

Owing to the fact that there is no London paying agent for most of the Japanese Bonds, the number of these Bonds held in this country can be only estimated. A recent Japanese report gave this amount as £61 million, while former estimates published in this country asserted that out of the £88 million total outstanding sterling amount, £45-50 million were held outside Japan. Japanese Dollar Bonds held in the U.S.A. are estimated to be about 65 million dollars. Following the recent change in the office of Chancellor of the Exchequer, the Council of Foreign Bondholders in Great Britain again approached the Chancellor asking him to review the position of Japan's External Debt, to do his utmost to safeguard the claims of sterling bondholders, and to resist any suggestion by which the depreciation of the yen would necessarily involve a reduction in the sterling claims. Sir Stafford Cripps has replied that it is the intention of H.M. Government to protect these and other overseas investments, but in view of the many demands upon Japan, such as the cost of essential imports, the occupation, and reparations, there seems little prospect of foreign exchange being available to meet the wishes of the bondholders for some time. The Chancellor, however, agrees that the claims remain sterling claims and that the depreciation of the yen has no direct relevance to their status.

JAPANESE GREY CLOTH

The S.C.A.P. authorities in Japan have agreed to sell for sterling payments a substantial yardage of Japanese grey cloth. After it has been suitably finished in the United Kingdom, it will be sold to colonial markets to fill the gap between the United Kingdom production and the essential requirements of British colonies. Finished cloth can also be offered to Pakistan, Southern Rhodesia and Burma, provided this is not done at the expense of colonial requirements.

Only if the colonial territories or other markets mentioned are unable to

absorb the yardage purchased by converters will the Board of Trade consider the issue of export licences for additional markets.

THE INDO-CHINA STEAM NAVIGATION COMPANY, LTD.

The 63rd Ordinary General Meeting of the Company, held at the offices of Messrs. Jardine, Matheson and Co., Ltd., Hong Kong, on May 28th, carried the resolution:—

"That the Report and Statement of Accounts for the year ended December 31st, 1947, as presented, together with the recommendations of the Directors as embodied therein, be adopted and a dividend of 6 per cent., less tax, on the Cumulative Preferred Ordinary shares, and a dividend of 10 per cent., less tax, together with a bonus of 10 per cent., less tax, on the Deferred Ordinary shares be paid, the dividends on the shares on the Hong Kong Register to be paid at the exchange rate of 1s. 2*fl*.d. per Hong Kong dollar and to be subject to the deduction of Corporation Profits Tax at the rate of 2.5 per cent."

PAKISTAN TRADE

Pakistan produced about one million bales of all staples cotton in the 1947-48 season, or 33 per cent. less than in the previous season. Of the 1947-48 crop the U.S.S.R. had by April 15th taken 138,000 bales, Belgium 60,000,

the United Kingdom 40,000, Spain 30,000, Italy 20,000 and the United States of America 8,000 bales. Nearly 250,000 bales had gone to India, including 100,000 bales under the Indo-Pakistan cotton agreement.

Jute from East Bengal is being shipped to over forty countries of the world — the United Kingdom, United States of America, France and Belgium being the biggest customers. According to the first issue of jute statistics just published by the Directorate of Jute Prices, export from Chittagong exceeds 55,000 tons during the period July, 1947, to February, 1948. The statistics further reveal that there has been a marked rise in jute acreage (2,058,670 acres as against 1,373,555 acres during 1946-47).

During the past nine months, since its inception, Pakistan has exported to the extent of Rs. 230 million, while its imports during the same period have been approximately Rs. 125 million. This has resulted in an accumulation of over Rs. 100 million to Pakistan credit, both in sterling and dollar blocks and with the restrictive import policy foreign credits promise to accumulate further.

JAPANESE WHALING IN THE ANTARCTIC

Reports that Japan will send three whaling factory ships during next season's whaling expedition to the Antarctic, instead of two sent in the last two seasons, has led to protests by the Chamber of Shipping of the U.K. as well as by Norwegian whaling organisations. It is pointed out that the expansion of the Japanese whaling fleet would have a curtailing effect on the fat supply of Europe. This year the whaling season had to be closed before the official date because the number of 16,000 blue-whale units (fixed by the international convention as the annual catch) had been reached. In the last two Antarctic whaling expeditions, in which the Japanese participated again, American observers were placed on Japanese ships, ensuring the Japanese to comply with the rules of the international convention. There are some rumours that American oil brokers are offering whale oil to Europe from Japan. Should these rumours be confirmed it would represent a contradiction to the American assertion that Japanese whaling expeditions are essential for the food supply of Japan's population.

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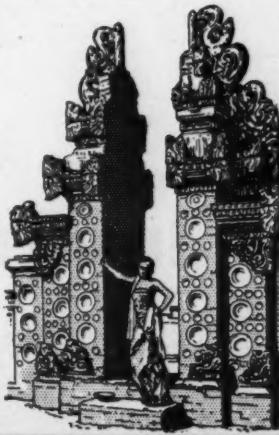
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